

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
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ROLL NUMBER

DESCRIPTION

1017

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Dennis G. Ball
Operator's Signature

10/30/03
Date

2003 HOUSE APPROPRIATIONS

HB 1017

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Deanna G. Hall
Operator's Signature

10/30/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1017

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date 01-10-03

Tape Number	Side A	Side B	Meter #
1		X	16.7-21.0
2	X		
Committee Clerk Signature <i>Chris E. Nelson</i>			

Minutes:

Chairman Martinson opened the hearing on HB 1017. All members of the committee were present.

Maren Daley Executive Directory of Job Service North Dakota, provided written testimony in support of HB 1017.

Rep. Wald How did you calculate the 19.1 million that employers have contributed to Workforce 2000?

Daley It is part of the application process when a company takes part in Workforce 2000. It includes wages, equipment costs, facilities.

Rep. Wald Does it include the payroll for existing employees involved in a Workforce 2000 project?

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Dorinda Bell
Operator's Signature

10/30/03
Date

Page 2
Education and Environment Division
Bill/Resolution Number HB 1017
Hearing Date 01-10-03

Daley Yes, the reason we include it is because it is a benefit to workers so they can receive added skills to get a wage increase.

Rep. Aarsvold When employers contribute equipment to a project, does the title to that equipment stay with the employer?

Daley Yes, if they buy it.

Rep. Aarsvold Some may remain with JSND for training for another time?

Daley It is retained by the company.

Rep. Wald Are these primary sector jobs only?

Daley Not specifically for Workforce 2000, although we do limit it to those that are implementing higher technology and where the training is deemed critical for occupations with inadequately trained personnel.

Rep. Wald In my affiliation with a financial institution, we are upgrading training all the time. This is due to either a new federal law, and I don't think we have ever applied for Workforce 2000 training dollars.

Daley In that type of an industry, that falls into a company's overall training plan. This is for implementation of a new technology.

Rep. Wald Would nonprofit include a hospital or nursing home?

Daley Yes, any legitimately registered nonprofit.

Rep. Wald And those people pay roughly 40.4 million in taxes for the biennium?

Daley No, those would be the contributing employers.

Rep. Wald Well, there are 18,500 employers that paid the traditional unemployment tax, what did the other 1,100 pay?

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Education and Environment Division
Bill/Resolution Number HB 1017
Hearing Date 01-10-03

Daley They essentially reimburse for claims made against their account.

Rep. Wald So they pay after the fact, after they know the amount of claims and dollars involved? Why do you treat a nonprofit different than a for-profit business?

Daley For federal compliance. (Referred to John Graham, director of centralized services in UI program).

John Graham The reason we do is because the legislation that governs both the ND program and federal program allows tribal entities, nonprofit corporations recognized as 501 C-3's and governmental and political subdivisions the option for becoming a reimbursing employer rather than a tax rating one. Most of those entities have chosen to do that.

Rep. Wald So it is an option to them?

Graham Yes, but they are locked into that decision for 2 years. But they do not pay the payroll tax year in and year out.

Chairman Martinson Please get to the budget quickly.

Daley Request noted.

Daley We have two grants received due to outstanding performance. 1st is WIA Incentive Grant \$775,000 given to the state. 2nd is the Community and Faith Based grant.

Chairman Martinson There is no dollar figure on there.

Daley \$496,000.

Daley Appropriation request includes \$56,067,000 in federal funds, \$2,000,000 in state general funds, and \$530,000 in special funds.

Chairman Martinson How many and what age are the participants of the OASIS, Old Age Survivor's Retirement Program.

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Education and Environment Division
Bill/Resolution Number HB 1017
Hearing Date 01-10-03

Daley 5 ranging from (inaudible).

Chairman Martinson Are they Job Service employees?

John Graham No, they are spouses of state government employees who retired before the state government was covered under Social Security.

Rep. Guleson Did you find the Welfare to Work program successful to ND population and how will you work with that group now?

Daley We are trying to make the end of that program transparent to our customers. We have had good success with those programs. There are parts of the state that have a lower success rate.

Rep. Guleson I met with a number of welfare recipients and they had very positive things to say about working with that program and career counseling. These people are very directed now.

Daley We are pleased with the pilot in Cass county. We will extend these services with TANF to the extent funding permits.

Rep. Wald Why have many business' TANF rates gone up considerably?

Daley Because the rate limits went off this year. In the 80's the trust fund almost went broke. Our average rate today is lower than it was in the 80's. At the end of the 7 years when we reach the trust fund solvency goal, we are hoping to lower the tax rates.

Rep. Wald Yesterday we heard the budget for Vocational Education. Is there any way to combine workforce dollars into one agency to avoid duplication?

Daley We feel we have worked this out amongst ourselves.

Rep. Wald That seems to go against common logic, to centralize is to simplify.

Daley We work very closely with Vocational Education so they can give good counseling and advice to their students. It lets them approach us on a more comfortable level.

Deanna Gullhaugen
Operator's Signature

10/30/03
Date

Page 5
Education and Environment Division
Bill/Resolution Number HB 1017
Hearing Date 01-10-03

Dick Larson Training and Development Specialist for the Bobcat Company in Gwinner.

Spoke in support of Workforce 2000.

Don Hedger Killdeer Mountain Manufacturing.

Spoke in favor of Workforce 2000.

Chairman Martinson closed the hearing on HB 1017.

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Deanna Ball
Operator's Signature

10/30/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1017

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date February 5, 2003

Tape Number	Side A	Side B	Meter #
1		X	
Committee Clerk Signature <i>Celeste Kuller</i>			

Minutes:

Chairman Martinson opened discussion on HB 1017, Job Service North Dakota. See Standing Committee Roll Call Votes.

Rep. Wald We have had some meetings with people from Job Service and everything in the bill except line 16 is unemployment compensation federal money. I would move, if you are open to an amendment, to strike the appropriation on line 16, and remove that from the bill.

Chairman Martinson Is there a second?

Rep. Monson Second.

Rep. Brusegaard That's the Workforce 2000?

Rep. Wald Yes.

Rep. Monson Do we have to strike line 13 too? You're taking out the whole \$2,002,861, so it is two lines?

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Deanna Baller
Operator's Signature

10/30/03
Date

Page 2
Education and Environment Division
Bill/Resolution Number 1017
Hearing Date February 5, 2003

Rep. Wald That's correct.

Chairman Martinson Is there any discussion of committee members? Asked the clerk to take the roll on the amendment.

Clerk took the role on the amendment.

ROLL CALL VOTES ON AMENDMENT

5 YES 2 NO 0 ABSENT

Chairman Martinson We have the amended bill before us.

Rep. Wald Moved for a do pass to the full committee as amended.

Rep. Brusegaard Second.

Chairman Martinson Is there any discussion? Asked the clerk to call the roll.

Clerk called the roll.

7 YES 0 NO 0 ABSENT

Rep. Wald will take the bill to the floor.

Chairman Martinson closed discussion on HB 1017.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1017

House Appropriations Committee

☐ Conference Committee

Hearing Date 02-13-03

Tape Number	Side A	Side B	Meter #
Committee Clerk Signature <i>Chris J. Nyhus</i>			

Minutes:

Chairman Svedjan Opened HB 1017 for discussion. A quorum was present.

Rep. Wald I move amendment number 38017.0104. 2nd by Rep. Monson

Rep. Glassheim The money is not being cut, just moved in this bill?

Chairman Svedjan It removes it from this budget. The goal is to centralize workforce development.

Rep. Gulletson I resisted the reduction in subcommittee because that program has been beneficial for the state's workforce.

Motion Carries.

Rep. Wald I move a Do Pass As Amended. 2nd by Rep. Brusegaard. Motion Carries

14-6-3.

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Dennis Gulletson
Operator's Signature

10/30/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1017

House Appropriations Committee

☐ Conference Committee

Hearing Date 02-14-03

Tape Number	Side A	Side B	Meter #
3		X	15 - 21.3
Committee Clerk Signature <i>Chris I. Sylva</i>			

Minutes:

Chairman Svedjan Opened HB 1017 for reconsideration. A quorum was present. The reconsideration passed by vote of the committee on 02-13-03 and the bill was taken up on 02-14-03.

Rep. Wald I move amendments 0104 to HB 1017. 2nd Rep. Brusegaard.

Chairman Svedjan We're not duplicating anything, correct?

Jim Smith, Legislative Council The only difference between this amendment and the one already passed is section 3.

Rep. Glassheim What does workforce 2000 do?

Rep. Wald Those dollars are used for retraining some new business. In Stark County Development, when a new business comes in and they want training dollars that is what it is used for. Successful, long-standing businesses also still use them. I'm of the opinion that the money should go to the Department of Commerce for new businesses.

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Deanna Ballra
Operator's Signature

10/30/03
Date

Page 2
House Appropriations Committee
Bill/Resolution Number HB 1017
Hearing Date 02-14-03

Motion Carries

Rep. Wald I move a Do Pass As Amended. 2nd by Rep. Carlisle. Motion Carries 15-7-1.

Rep. Wald will carry this bill to the floor.

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Deanna Ballantyne
Operator's Signature

10/30/03
Date

Prepared by Job Service North Dakota
House Appropriations Committee
January 10, 2003

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1017

Page 1, line 2, after "Dakota" insert "and to provide for a legislative council study"

Page 1, after line 24, Insert:

"Section 4. Legislative Council Study – Employment Security Programs Funding Devolution. The legislative council is hereby directed to carry out an interim study of the impact of the pending federal legislation which would devolve the administrative and funding responsibility for the Unemployment Insurance and Public Employment Service programs from the United States Department of Labor to the several States. This study is to include consideration of the methods of funding the programs which might be used to replace the Federal Unemployment Tax Act funds now funding the administration of the programs, and such other relevant issues as the legislative council might identify."

Renumber accordingly

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Deanna Ball
Operator's signature

10/30/03
Date

38017.0103
Title.
Fiscal No. 3

Prepared by the Legislative Council staff for
House Appropriations
February 10, 2003

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1017

Page 1, line 5, remove "out of any moneys in the general fund in the state"

Page 1, line 6, remove "treasury, not otherwise appropriated, and"

Page 1, line 9, replace "34,411,497" with "34,057,205"

Page 1, line 12, replace "7,617,792" with "7,617,792"

Page 1, remove line 13

Page 1, line 14, replace "all funds" with "special funds appropriation" and replace "58,601,193" with "58,244,040"

Page 1, remove lines 15 and 16

Page 1, remove lines 20 through 24

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1017 - Job Service North Dakota - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$34,411,497	(\$354,292)	\$34,057,205
Operating expenses	14,529,359		14,529,359
Capital assets	39,684		39,684
Grants	7,617,792		7,617,792
Work Force 2000	<u>2,002,861</u>	<u>(2,002,861)</u>	
Total all funds	\$58,601,193	(\$2,357,153)	\$56,244,040
Less estimated income	<u>58,599,332</u>	<u>(354,292)</u>	<u>58,244,040</u>
General fund	\$2,002,861	(\$2,002,861)	\$0
FTE	367.17	(4.00)	363.17

Dept. 380 - Job Service North Dakota - Detail of House Changes

	REMOVES RECOMMENDED SALARY INCREASE ¹	REMOVES FUNDING FOR WORK FORCE 2000 ²	TOTAL HOUSE CHANGES
Salaries and wages	(\$354,292)		(\$354,292)
Operating expenses			
Capital assets			
Grants			
Work Force 2000		<u>(\$2,002,861)</u>	<u>(2,002,861)</u>
Total all funds	(\$354,292)	(\$2,002,861)	(\$2,357,153)
Less estimated income	<u>(354,292)</u>		<u>(354,292)</u>
General fund	\$0	(\$2,002,861)	(\$2,002,861)
FTE	0.00	(4.00)	(4.00)

¹ This amendment removes funding for the Governor's recommended salary increase of 1 percent effective January 1, 2004, and 2 percent effective January 1, 2005. This amendment retains full funding of employee health insurance coverage as provided for in the executive budget recommendation.

² This amendment removes funding of \$2,002,861 from the general fund and four FTE positions for the Work Force 2000 program, and the amendment removes Section 3 of the bill relating to Work Force 2000 allocations.

38017.0104
Title.0200
Fiscal No. 4

Prepared by the Legislative Council staff for
House Appropriations
February 13, 2003

VR
2/14/03
1082

HOUSE AMENDMENTS TO HOUSE BILL NO. 1017 APP 2-17-03

Page 1, line 5, remove "out of any moneys in the general fund in the state"

Page 1, line 6, remove "treasury, not otherwise appropriated, and"

Page 1, line 9, replace "34,411,497" with "25,031,370"

Page 1, line 10, replace "14,529,359" with "10,718,437"

Page 1, line 12, replace "7,617,792" with "9,999"

Page 1, remove line 13

Page 1, line 14, replace "all funds" with "special funds appropriation" and replace "58,601,193" with "35,799,490"

Page 1, remove lines 15 and 16

Page 1, remove lines 20 through 24

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1017 - Job Service North Dakota - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$34,411,497	(\$9,380,127)	\$25,031,370
Operating expenses	14,529,359	(3,810,922)	10,718,437
Capital assets	39,684		39,684
Grants	7,617,792	(7,607,793)	9,999
Work Force 2000	2,002,861	(2,002,861)	
Total all funds	\$58,601,193	(\$22,801,703)	\$35,799,490
Less estimated income	56,598,332	(20,798,842)	35,799,490
General fund	\$2,002,861	(\$2,002,861)	\$0
FTE	367.17	(4.00)	363.17

Dept. 380 - Job Service North Dakota - Detail of House Changes

	REMOVES RECOMMENDED SALARY INCREASE ¹	REMOVES FUNDING FOR WORK FORCE 2000 ²	REMOVES FUNDING FOR WORKFORCE DEVELOPMENT PROGRAMS ³	TOTAL HOUSE CHANGES
Salaries and wages	(\$354,292)		(\$9,025,835)	(\$9,380,127)
Operating expenses			(3,810,922)	(3,810,922)
Capital assets				
Grants			(7,607,793)	(7,607,793)
Work Force 2000		(\$2,002,861)		(2,002,861)
Total all funds	(\$354,292)	(\$2,002,861)	(\$20,444,550)	(\$22,801,703)
Less estimated income	(354,292)		(20,444,550)	(20,798,842)
General fund	\$0	(\$2,002,861)	\$0	(\$2,002,861)
FTE	0.00	(4.00)	0.00	(4.00)

¹ This amendment removes funding for the Governor's recommended salary increase of 1 percent effective January 1, 2004, and 2 percent effective January 1, 2005. This amendment retains full funding of employee health insurance coverage as provided for in the executive budget recommendation.

HOUSE AMENDMENTS TO HB 1017

APP 2-17-03

2062

- ² This amendment transfers funding \$2,002,861 from the general fund relating to the Work Force 2000 program to the Department of Commerce. The amendment also removes four FTE positions relating to the Work Force 2000 program and removes Section 3 of the bill relating to Work Force 2000 allocations.
- ³ This amendment removes special funds totaling \$20,444,550 relating to the senior community service employment program (\$1,070,352), trade adjustment assistance program (\$99,600), Workforce Investment Act (\$12,735,106), the new job training program (\$150,000), and the job opportunities and basic skills training program (\$6,389,292) to be funded in the Department of Commerce.

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Operator's Signature

Deanna G. [Signature]

Date

10/30/03

38017.0102
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for
House Appropriations - Education and
Environment

February 5, 2003

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1017

Page 1, line 5, remove "out of any moneys in the general fund in the state"

Page 1, line 6, remove "treasury, not otherwise appropriated, and"

Page 1, line 12, replace "7,617,792" with "7,617,792"

Page 1, remove line 13

Page 1, line 14, replace "all funds" with "special funds appropriation" and replace "58,601,193" with "56,598,332"

Page 1, remove lines 15 and 16

Page 1, remove lines 20 through 24

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1017 - Job Service North Dakota - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$34,411,497		\$34,411,497
Operating expenses	14,529,359		14,529,359
Capital assets	39,884		39,884
Grants	7,617,792		7,617,792
Work Force 2000	<u>2,002,861</u>	<u>(2,002,861)</u>	
Total all funds	\$58,601,193	(\$2,002,861)	\$56,598,332
Less estimated income	<u>56,598,332</u>		<u>56,598,332</u>
General fund	\$2,002,861	(\$2,002,861)	\$0
FTE	387.17	(4.00)	383.17

Dept. 380 - Job Service North Dakota - Detail of House Changes

	Remove Funding for Work Force 2000 ¹	Total House Changes
Salaries and wages		
Operating expenses		
Capital assets		
Grants		
Work Force 2000	<u>(\$2,002,861)</u>	<u>(\$2,002,861)</u>
Total all funds	(\$2,002,861)	(\$2,002,861)
Less estimated income		
General fund	<u>(\$2,002,861)</u>	<u>(\$2,002,861)</u>
FTE	(4.00)	(4.00)

¹ This amendment removes funding of \$2,002,861 from the general fund and four FTE positions for the Work Force 2000 program and the amendment removes Section 3 of the bill relating to Work Force 2000 allocations.

Date: February 5, 2003
Roll Call Vote #: 2

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1017

House Appropriations Education and Environment Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number LC # 38017.0102

Action Taken Do Pass As Amended

Motion Made By Rep. Wald Seconded By Rep. Brusegaard

Representatives	Yes	No	Representatives	Yes	No
Rep. Martinson	X				
Rep. Brusegaard	X				
Rep. Monson	X				
Rep. Rennerfeldt	X				
Rep. Wald	X				
Rep. Aarsvold	X				
Rep. Gulleeson	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep. Wald

If the vote is on an amendment, briefly indicate intent: See Proposed Amendments.

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Deanna Guller
Operator's Signature

10/30/03
Date

REPORT OF STANDING COMMITTEE (410)
February 17, 2003 10:02 a.m.

Module No: HR-30-2878
Carrier: Wald
Insert LC: 38017.0104 Title: .0200

REPORT OF STANDING COMMITTEE
HB 1017: Appropriations Committee (Rep. Svedjan, Chairman) recommends
AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS
(15 YEAS, 7 NAYS, 1 ABSENT AND NOT VOTING). HB 1017 was placed on the
Sixth order on the calendar.

Page 1, line 5, remove "out of any moneys in the general fund in the state"

Page 1, line 6, remove "treasury, not otherwise appropriated, and"

Page 1, line 9, replace "34,411,497" with "25,031,370"

Page 1, line 10, replace "14,529,359" with "10,718,437"

Page 1, line 12, replace "7,617,792" with "9,999"

Page 1, remove line 13

Page 1, line 14, replace "all funds" with "special funds appropriation" and replace "58,601,193"
with "35,799,490"

Page 1, remove lines 15 and 16

Page 1, remove lines 20 through 24

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1017 - Job Service North Dakota - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$34,411,497	(\$9,380,127)	\$25,031,370
Operating expenses	14,529,359	(3,810,922)	10,718,437
Capital assets	39,684		39,684
Grants	7,617,792	(7,607,793)	9,999
Work Force 2000	<u>2,002,861</u>	<u>(2,002,861)</u>	
Total all funds	\$58,601,193	(\$22,801,703)	\$35,799,490
Less estimated income	<u>56,598,332</u>	<u>(20,798,842)</u>	<u>35,799,490</u>
General fund	\$2,002,861	(\$2,002,861)	\$0
FTE	367.17	(4.00)	363.17

Dept. 380 - Job Service North Dakota - Detail of House Changes

	REMOVES RECOMMENDED SALARY INCREASE 1	REMOVES FUNDING FOR WORK FORCE 2000 2	REMOVES FUNDING FOR WORKFORCE DEVELOPMENT PROGRAMS 3	TOTAL HOUSE CHANGES
Salaries and wages	(\$354,292)		(\$9,025,835)	(\$9,380,127)
Operating expenses			(3,810,922)	(3,810,922)
Capital assets			(7,607,793)	(7,607,793)
Grants				
Work Force 2000		<u>(\$2,002,861)</u>		<u>(2,002,861)</u>
Total all funds	(\$354,292)	(\$2,002,861)	(\$20,444,550)	(\$22,801,703)
Less estimated income	<u>(354,292)</u>		<u>(20,444,550)</u>	<u>(20,798,842)</u>

(2) DESK, (3) COMM

Page No. 1

HR-30-2878

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Operator's Signature

Date

REPORT OF STANDING COMMITTEE (410)
February 17, 2003 10:02 a.m.

Module No: HR-30-2878
Carrier: Wald
Insert LC: 38017.0104 Title: .0200

General fund	\$0	(\$2,002,661)	\$0	(\$2,002,661)
FTE	0.00	(1.00)	0.00	(4.00)

¹ This amendment removes funding for the Governor's recommended salary increase of 1 percent effective January 1, 2004, and 2 percent effective January 1, 2005. This amendment retains full funding of employee health insurance coverage as provided for in the executive budget recommendation.

² This amendment transfers funding \$2,002,661 from the general fund relating to the Work Force 2000 program to the Department of Commerce. The amendment also removes four FTE positions relating to the Work Force 2000 program and removes Section 3 of the bill relating to Work Force 2000 allocations.

³ This amendment removes special funds totaling \$20,444,550 relating to the senior community service employment program (\$1,070,352), trade adjustment assistance program (\$99,800), Workforce Investment Act (\$12,735,106), the new jobs training program (\$150,000), and the job opportunities and basic skills training program (\$6,389,292) to be funded in the Department of Commerce.

2003 SENATE APPROPRIATIONS

HB 1017

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Deanna Ballantyne
Operator's Signature

10/30/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1017

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 12, 2003

Tape Number	Side A	Side B	Meter #
#2		x	3,845 - end
#3	x		0- 2505
Committee Clerk Signature <i>Jan Henderson</i>			

Minutes:

Senator Holmberg reconvened the meeting. HB 1017 was the next bill heard.

(#3848) **Maren Daley**, Executive Director of Job Service North Dakota. Written testimony is Exhibit #1 which is attached. She testified on the engrossed bill, which she states is different from the original bill. All workforce funding was removed from the Job Service appropriation and transferred to the Dept. of Commerce. The transfer was to consolidate all workforce training into a single state agency. **Ms. Daley** asked that the Senate to restore the original appropriation to the Job Service, they understand that there opportunities to improve and coordinate the current delivery of workforce training, workforce development and economic development in the state, but they do not feel that is the best way to accomplish that improvement. They also asked that the committee adopt the proposed amendment that Job Service has drawn up, Exhibit #2, attached. The first part of the amendments deals with the funding taken out by the House.

Section 3 deals with the work force allocations and section 4 is requesting a Legislative Council

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Senate Appropriations Committee
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Study on Workforce development, Workforce training, Public Labor Exchange, and unemployment insurance program delivery systems and funding. This is requested because of pending federal legislation which would significantly change the respective Federal-State responsibility and funding for Workforce Development, etc. Ms. Daley stated that because the speed that this bill made its way through the House, they did not have the opportunity to voice their concerns with the amendments. Today she wanted to discuss the engrossed bill. In her written testimony, Exhibit #1, under tab 5 there is an amended version of her testimony before the House Appropriations Committee, which details their mission, their customer service orientation, their business plan philosophy, the services they provide their customers and the performance measures they use to guide their delivery. She also stated that North Dakota was one of 12 states to receive an incentive grant for WIA (Workforce enforcement Act) performance from the US Dept. of Labor for the delivery of workforce training programs. This is a \$750,000 grant which was made possible by Job Service working with the Department of Public Instruction and the State Board of Vocational & Technical Education. Their Unemployment Insurance program has also received regional awards for its service to both business and claimants. Their labor market information center has been nationally recognized for accuracy and service to the workforce community. Their web site is one of the most frequently visited sites in state government, it averages about 80,000 hits per month.

Ms. Daley then went into detail regarding the changes in HB 1017. which can be found in her written testimony, exhibit #1.

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Date

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Questions:

Senator Holmberg stated that he had discussions with the Legislative Council that the 4 FTE was a mistake and that has been corrected.

Maren continued with her testimony on the Job Service Bill

Tape #2 Side b ends/ Tape #3 , side A begins.

Maren continued with her testimony regarding the House Bill and the Workforce 2000.

Questions: (#255)

Senator Holmberg wanted to clarify the concern of the Job Service that the House did on their bill. They removed the recommended salary, and the rest of the changes were taking the Workforce out of the Job Service budget and putting it into the Department of Commerce. The subcommittee will be **Senators Grindberg, Thane and Tallackson**. **Maren** stated that Job Service was the best prepared and in the best position to delivery these services throughout the state, they are the heart of workforce development and training and the connection to the job seekers, we are also the connection to the businesses. **Senator Holmberg** suggested that Roxanne look at the language regarding the study, that seems more directive than most studies which state that the "Council *shall*" rather than the wording on the proposed amendment. **Maren** stated that: "they are kinda aggressive on this and action oriented " and they are hoping for more than just a study, they are looking to take this Workforce forward. **Senator Mathern**: (#492) Was this study discussed in the House or has this just come up? **Maren** replied that she did propose it to the House, she did include it in her testimony but she got the impression that they didn't take it seriously. **Senator Mathern** continued that he hoped the subcommittee would take this seriously and give it consideration. **Senator Holmberg** (#600) "When one tracks the FTE's

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of the agency, the reduction have to do in part over the past years with less federal money but the folks who are on the front lines also are being able to use the Internet and use technology as well as citizens who are looking for work, so he is sure that these changes are not just going to stop now, there might be more changes mandated from above", he wanted to know if he was correct? **Maren** stated that he was right on track. Their request for FTE's is 367.17 which is down 22.61 FTE's, this was looked at over a year ago, seeing what was going to happen to the federal funding and the service delivery for the customers. Their employees, although fewer in numbers, will be higher in skills and they will serve more as coaches for job seekers, and as consultants for businesses. Local offices won't be the unemployment office they will be the career building and employment office. **Senator Andrisc**: (#882) There were offices in every county, he wasn't sure they every delivered any services to small community or maybe those communities don't ask for those services, in most of those small communities there isn't much job activity going on, and it isn't needed. What does a job information center offer? **Maren** stated that they would be involved in the new business that are developing there, there will be some increased needed employees in the new plants coming on. Even though they don't have an office there, there will be job fairs and recruiting and by helping the business define and establish skill levels so they hire the right people by inviting applicants and helping to screen them, arranging some of the training that they might need for that new position. **Senator Andrisc** wanted to know what is a "Job Information Center"? what does it mean? they are on the map (she displayed some maps that indicated where there were offices, etc.) **Maren** stated those were where the local job service offices, where there is actually an office and a staff on site. They can't have an office everywhere, but they will come to you. **Senator Andrisc** wanted to know if there was someone who came to

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the different offices that are not manned by staff now? **Maren** replied that the Job Information Center was really only a place for information, for the types of employer needs, for example the Pasta Plant, they would do that through larger staffed offices, directly to that employer and through the local economic developer. Beulah and Grafton were both mentioned as good examples of Job Service Centers in smaller communities.

Other testimony:

(#1417) **Bill Butcher**, State Director of National Federation of Independent Business (NFIB), which has 3000 members, small business in North Dakota. He is also a member of the Workforce 2000 advisory board. He was testifying in behalf of HB 1017. He did not submit any written testimony. He spoke on the Workforce 2000 part of the bill. He was concerned about the cuts made by the House. A poll is taken of their members and a majority must be agree, there was a poll on Workforce 2000 and over 80% felt that it should include existing business. The wording by the House makes it only for new businesses. The funding for the last biennium was \$2 million, the House has cut it to \$1 million which would not be adequate for the state. He would like to encourage the Senate to restore the funding to \$2 million, not make it just for new businesses and to keep it in Job Service.

(#1869) **Virgil Seibold**, Phoenix International, a company in Fargo. He had sent an e-mail to the Senators and he wanted to talk about that and keeping WorkForce 2000 in Job Service and the \$2 million budget and for all businesses, not just new ones to participate. He read the e-mail but did not provide a copy for the record.

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Hearing Date March 12, 2003

(#2155) **John Hougen**, Department of Human Services, No written testimony. He wanted to be included in the subcommittee regarding the money. Job Service takes care of their work participation.

Maren continued. She presented the North Dakota Economic Road Map 2002, Exhibit #3.

With no other testimony before the committee, the hearing was closed on HB 1017 (#2505)

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1017 Vote

Senate Appropriations Committee

☐ Conference Committee

Hearing Date April 4, 2003

Tape Number	Side A	Side B	Meter #
#1	X		0-662 2
Committee Clerk Signature <i>Jan Lundmarkson</i>			

Minutes:

Meeting was called to order by **Senator Holmberg**, chairman. Roll call was taken.

(#145): HB 1017 Job Service.

Senator Grindberg explained the amendments for HB 1017. The amendments addressed the health insurance premium to be consistent with all budgets and it transfers back to Job Service the workforce programs and the agency becoming the administrator of the various workforce programs and increases the N.D. Workforce 2000 program from \$1 million to \$1.5 million. That is still \$500,000 under the executive budget. Section 3 addresses the eligibility for the Workforce 2000 programs in the rural areas. Section 4 is the study on the workforce programs, etc. for the next interim. The House added some restrictive language on who could access and apply for the Workforce 2000 grant program and the subcommittee (Senate) returned it to the original bill.

Senator Grindberg moved to accept the amendments, seconded by **Senator Kringstad**.

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Senate Appropriations Committee
Bill/Resolution Number HB 1007
Hearing Date April 4, 2003

Discussion (#367): **Senator Krauter** asked for clarification on the \$1 million to the \$1.5 million, **Senator Grindberg** explained that the Governor's budget was for a little over \$2 million, the House removed \$1 million and the Senate subcommittee put back in \$500,000 to make it \$1.5 million. **Senator Holmberg** added that the amount was taken out of the Commerce bill. **Senator Grindberg** added that the program was switched to Commerce by the House and now it is going back to Job Service to administer. **Senator Krauter** wanted to know why did it say it was an increase in the general fund of \$1.5 million? **Senator Holmberg** stated that it was, but in Commerce there would be a reduction of \$1 million of general funds. **Senator Krauter** stated that now he understood. **Senator Mathern** (#453) He wondered why not go back to the \$2 million? What is not to be done that the Governor wanted to do? **Senator Grindberg** replied that in trying to balance everything, everyone got just a sprinkling of funds. **Senator Holmberg** stated that they left the flexibility that the agencies have under current law rather than the restrictions that the House had put in. This is one of the things that the conference committees will have to work on with the House--restrictions vs flexibility.

Voice vote was taken on the amendments, motion passed.

Motion by Senator Grindberg, seconded by Senator Thane for a DO PASS as AMENDED.

Discussion: (#558) **Senator Krauter** wanted to know if there were any related IT dollars since there was general funds dollars in this. **Senator Holmberg** replied that he would guess not, because the general fund money in Job Service has always been the money that goes out to Workforce training and not IT, that is his understanding. The general fund money in Job Service is training for workforce, everything else is federal money.

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Senate Appropriations Committee
Bill/Resolution Number HB 1007
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Roll call vote was taken, 13 y 0 no 1 absent and not voting. Motion carried. Senator

Grindberg will be the carrier.

Close (#662)

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Exhibit #2
monen
Oaley

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1017

Page 1, line 2, after "Dakota" insert "and to provide for a legislative council study"

Page 1, line 5, after "appropriated" insert "out of any moneys in the general fund in the state treasury, not otherwise appropriated, and"

Page 1, line 8, replace "25,031,370" with "34,057,205"

Page 1, line 9, replace "10,718,437" with "14,529,359"

Page 1, line 11, replace "9,999" with "7,617,792"

Page 1, after line 11, insert:

"Work force 2000	2,001,912
Total all funds	58,245,952
Less estimated income	56,244,040
Total general fund appropriation	2,001,912"

Page 1, remove line 12

Page 1, after line 15, insert:

"SECTION 3. WORK FORCE 2000 ALLOCATIONS. For the year beginning July 1, 2003, a minimum of \$150,000 of the 2,001,912 provided for work force 2000, is to be available for projects in all areas of the state that are not within five miles [8.05 kilometers] of a city with a population of more than eight thousand. Any work force 2000 funds remaining after June 30, 2004, may be used for projects in any area of the state.

SECTION 4. LEGISLATIVE COUNCIL STUDY - WORKFORCE DEVELOPMENT, WORKFORCE TRAINING, PUBLIC LABOR EXCHANGE, AND UNEMPLOYMENT INSURANCE PROGRAM DELIVERY SYSTEMS AND FUNDING STUDY. The legislative council is hereby directed to carry out an interim study of the impact of pending federal legislation which would significantly change the respective Federal-State responsibility and

Page 1

10/30/03

funding for Workforce Development, Workforce Training, Public Labor Exchange and Unemployment Insurance programs. This study is to consider appropriate organizational placement within state government for delivery of Workforce Development, Workforce Training, Public Labor Exchange and Unemployment Insurance programs and methods of funding the programs including replacement of the Federal Unemployment Tax Act funds now funding the administration of the Unemployment Insurance and Public Labor Exchange programs, and such other relevant issues as the legislative council might identify."

Renumber accordingly

Page 2

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10/30/03
Date

38017.0201
Title.0300
Fiscal No. 2

Prepared by the Legislative Council staff for
Senator Grindberg
April 3, 2003

JB
4-4-03
1 of 2

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1017

Page 1, line 2, after "Dakota" insert "; and to provide for a legislative council study"

Page 1, line 5, after "appropriated" insert "out of any moneys in the general fund in the state treasury, not otherwise appropriated, and"

Page 1, line 8, replace "25,031,370" with "34,017,882"

Page 1, line 9, replace "10,718,437" with "14,529,359"

Page 1, line 11, replace "9,999" with "7,617,792"

Page 1, after line 11, insert:

"Work force 2000	1,500,000"
------------------	------------

Page 1, line 12, replace "special funds appropriation" with "all funds" and replace "35,799,490" with "57,704,717"

Page 1, after line 12, insert:

"Less estimated income	56,204,717
Total general fund appropriation	\$1,500,000"

Page 1, after line 15, insert:

"SECTION 3. WORK FORCE 2000 ALLOCATIONS. For the year beginning July 1, 2003, a minimum of \$150,000 of the \$1,500,000 provided for work force 2000 is to be available for projects in areas of the state that are not within five miles [8.05 kilometers] of a city with a population of more than eight thousand. Any work force 2000 funds remaining after June 30, 2004, may be used for projects in any area of the state.

SECTION 4. LEGISLATIVE COUNCIL STUDY - WORKFORCE DEVELOPMENT, WORKFORCE TRAINING, PUBLIC LABOR EXCHANGE, AND UNEMPLOYMENT INSURANCE PROGRAM DELIVERY SYSTEMS. The legislative council shall consider studying during the 2003-04 interim the impact of pending federal legislation that would significantly change the respective federal-state responsibility and funding for workforce development, workforce training, public labor exchange, and unemployment insurance programs. The study should consider appropriate organizational placement within state government for delivery of workforce development, workforce training, public labor exchange, and unemployment insurance programs, appropriate methods of funding the programs, including replacement of the Federal Unemployment Tax Act funds currently funding the administration of the unemployment insurance and public labor exchange program, and other relevant issues as may be identified. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Page No. 1

38017.0201

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Date

House Bill No. 1017 - Job Service North Dakota - Senate Action

2d2

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$34,411,487	\$25,031,370	\$8,986,512	\$34,017,882
Operating expenses	14,529,359	10,718,437	3,810,922	14,529,359
Capital assets	39,684	39,684		39,684
Grants	7,617,792	9,999	7,607,793	7,617,792
Work Force 2000	<u>2,002,861</u>		<u>1,500,000</u>	<u>1,500,000</u>
Total all funds	\$58,601,193	\$35,799,490	\$21,905,227	\$57,704,717
Less estimated income	<u>56,598,332</u>	<u>35,799,490</u>	<u>20,405,227</u>	<u>56,204,717</u>
General fund	\$2,002,861	\$0	\$1,500,000	\$1,500,000
FTE	367.17	363.17	4.00	367.17

Dept. 380 - Job Service North Dakota - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	RESTORES FUNDING FOR WORKFORCE DEVELOPMENT PROGRAMS ²	RESTORES FUNDING FOR WORK FORCE 2000 ³	TOTAL SENATE CHANGES
Salaries and wages	(\$39,323)	\$9,025,835		\$8,986,512
Operating expenses		3,810,922		3,810,922
Capital assets				
Grants		7,607,793		7,607,793
Work Force 2000			<u>\$1,500,000</u>	<u>1,500,000</u>
Total all funds	(\$39,323)	\$20,444,550	\$1,500,000	\$21,905,227
Less estimated income	<u>(39,323)</u>	<u>20,444,550</u>		<u>20,405,227</u>
General fund	\$0	\$0	\$1,500,000	\$1,500,000
FTE	0.00	0.00	4.00	4.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 per month to \$466.70 per month.

² This amendment restores special funds totaling \$20,444,550 that was transferred by the House from Job Service North Dakota to the Department of Commerce. The funding relates to the senior community service employment program (\$1,070,352), trade adjustment assistance program (\$99,800), Workforce Investment Act (\$12,735,106), the new job training program (\$150,000), and the job opportunities and basic skills training program (\$6,389,292).

³ This amendment restores funding of \$1.5 million from the general fund and four FTE positions relating to the Work Force 2000 program that were transferred by the House to the Department of Commerce.

Amendment
Gundberg
and
Vote

Date: 4/4/03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1017

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 38017.02071

Action Taken DO PASS

Motion Made By Gundberg Seconded By Thane

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair	✓				
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter	✓				
Senator Kringstad	✓				
Senator Lindaas	✓				
Senator Mathern	✓				
Senator Robinson	✓				
Senator Schobinger	✓				
Senator Tallackson					
Senator Thane	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Gundberg

If the vote is on an amendment, briefly indicate intent:

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10/30/03
Date

62nd DAY

MONDAY, APRIL 7, 2003

1177

	BUDGET	VERSION	CHANGES	VERSION
Salaries and wages	\$1,898,164	\$1,878,020	(\$1,858)	\$1,876,162
Operating expenses	812,572	812,572	(90,000)	722,572
Capital assets	37,000	37,000		37,000
Grants	4,888,100	4,888,100		4,888,100
Contingencies	100,000	100,000	(50,000)	50,000
Total all funds	\$7,735,836	\$7,715,692	(\$141,858)	\$7,573,834
Less estimated income	7,735,836	7,715,692	(141,858)	7,573,834
General fund	\$0	\$0	\$0	\$0
FTE	17.75	17.75	0.00	17.75

Dept. 226 - Land Department - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REMOVES FUNDING FOR WEED CONTROL COSTS 2	REDUCES THE CONTINGENCY LINE ITEM 3	TOTAL SENATE CHANGES
Salaries and wages	(\$1,858)			(\$1,858)
Operating expenses		(\$90,000)		(90,000)
Capital assets				
Grants				
Contingencies			(\$50,000)	(50,000)
Total all funds	(\$1,858)	(\$90,000)	(\$50,000)	(\$141,858)
Less estimated income	(1,858)	(90,000)	(50,000)	(141,858)
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

1 This amendment reduces funding for the recommended state employee health insurance premiums from \$493 per month to \$488.70 per month.

2 This amendment removes \$90,000 from the operating expenses line for weed control costs, since these expenses can be paid under the continuing appropriation authority in House Bill No. 1103.

3 This amendment reduces funding in the contingency line item by \$50,000, since unknown costs can be paid under the continuing appropriation authority in House Bill No. 1103.

This amendment also removes the requirement of Budget Section approval before a state agency's right to recover property is relinquished; changes the notice and publication of abandoned property lists from a notice to two notices; removes the requirement that the notice must be published at least once a week for two consecutive weeks; removes the requirement that the cost of the abandoned property advertisement may not exceed the cost of the notice; and adds sections from Senate Bill No. 2152 relating to unclaimed property.

REPORT OF STANDING COMMITTEE

HB 1017, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1017 was placed on the Sixth order on the calendar.

Page 1, line 2, after "Dakota" insert "; and to provide for a legislative council study"

Page 1, line 5, after "appropriated" insert "out of any moneys in the general fund in the state treasury, not otherwise appropriated, and"

Page 1, line 8, replace "25,031,370" with "34,017,882"

Page 1, line 9, replace "10,718,437" with "14,529,359"

Page 1, line 11, replace "9,999" with "7,617,792"

Page 1, after line 11, insert:
"Work force 2000"

1,500,000"

Page 1, line 12, replace "special funds appropriation" with "all funds" and replace "35,799,490" with "57,704,717"

Page 1, after line 12, insert:

"Less estimated income

56,204,717

Total general fund appropriation

\$1,500,000"

Page 1, after line 15, insert:

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Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1017 - Job Service North Dakota - Senate Action

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Operating expenses	14,529,359	10,718,437	3,810,922	14,529,359
Capital assets	39,884	39,884		39,884
Grants	7,617,792	9,999	7,607,793	7,617,792
Work Force 2000	<u>2,002,861</u>		<u>1,500,000</u>	<u>1,500,000</u>
Total all funds	\$56,601,193	\$35,799,490	\$21,905,227	\$57,704,717
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General fund	\$2,002,861	\$0	\$1,500,000	\$1,500,000
FTE	367.17	363.17	4.00	367.17

Dept. 380 - Job Service North Dakota - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	RESTORES FUNDING FOR WORKFORCE DEVELOPMENT PROGRAMS ²	RESTORES FUNDING FOR WORK FORCE 2000 ³	TOTAL SENATE CHANGES
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Operating expenses		3,810,922		3,810,922
Capital assets				
Grants		7,607,793		7,607,793
Work Force 2000			<u>\$1,500,000</u>	<u>1,500,000</u>
Total all funds	(\$39,323)	\$20,444,550	\$1,500,000	\$21,905,227
Less estimated income	<u>(\$39,323)</u>	<u>20,444,550</u>		<u>20,405,227</u>
General fund	\$0	\$0	\$1,500,000	\$1,500,000
FTE	0.00	0.00	4.00	4.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 per month to \$488.70 per month.

² This amendment restores special funds totaling \$20,444,550 that was transferred by the House from Job Service North Dakota to the Department of Commerce. The funding relates to the senior community service employment program (\$1,070,352), trade adjustment assistance program (\$99,800), Workforce Investment Act (\$12,735,106), the new jobs training program (\$150,000), and the job opportunities and basic skills training program (\$6,389,292).

³ This amendment restores funding of \$1.5 million from the general fund and four FTE positions relating to the Work Force 2000 program that were transferred by the House to the Department of Commerce.

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Date

10/30/03

2003 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1017

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10/30/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1017

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 10, 2003

Tape Number	Side A	Side B	Meter #
1		X	6.1
Committee Clerk Signature <i>Celste Keller</i>			

Minutes:

Chairman Wald opened the conference committee on HB 1017, Job Service. All member of the conference committee were present with the exception of Rep. Gulleeson.

Chairman Wald I'm reviewing the Senate amendments. The major change is that you restored \$1.5 million of general fund money to Work Force 2000, is that essentially the change?

Senator Grindberg Essentially yes. \$500,000 above the House version and moving the federal money back to the job service agency.

Chairman Wald It would be \$1.5 million.

Senator Grindberg The version from the House had \$1 million in it so we added \$500,000.

You guys had moved \$1 million of Work Force 2000 into Commerce, we put it back into job service and added \$500,000.

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10/30/03
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Education and Environment Division
Bill/Resolution Number 1017
Hearing Date April 10, 2003

Senator Tallackson What is your attitude on changing the transfer back for work force, is that okay with you?

Chairman Wald I am not sure yet.

Rep. Brusegaard Senator Grindberg, I still see that we took out \$2 million.

Senator Grindberg The House action in the commerce budget, vocational education budget, portions of the human service budget and job service moved dollars in the work force development training areas to commerce. In the case of vocational education, that was \$1,350,000 of general fund money. Work force 2000 general fund money from job service was \$2,000,000 in the executive budget request. I believe the House cut that to \$1,000,000 and took the other million to EPSCOR. When we started hearing the house bills and conversations with some members of the House, a concern was moving money into commerce to be the fiscal agent of general fund money which is one thing, but when everyone realized that they moved all of the administering titles, which meant FTE's, that sent some flags up. We moved the federal money and the responsibilities back to those agencies.

Chairman Wald On the yellow sheet, I thought we transferred the entire \$2 million because it shows House version zero under general fund.

Roxanne, Legislative Council In the job service department, there was a job service bill that was passed out by the House and there were zero funds for work force training. (Inaudible). \$1 million of that \$2 million did become (inaudible) in the commerce department. (Inaudible).

Chairman Wald So the Senate wants to move it from commerce back to job service?

Senator Grindberg The best way to view how all of these changes took place would be in the detail of the commerce budget that the House passed. It shows all of those and the action Senate

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Education and Environment Division
Bill/Resolution Number 1017
Hearing Date April 10, 2003

took to move them all back. It details all of them. That would capture everything that is related to work force.

Chairman Wald What is the status of the commerce budget?

Roxanne, LC Inaudible.

Chairman Wald So now we have to wait to see whether the House will concur with the Senate amendments on the commerce budget before we take action on this.

Senator Tallackson Inaudible.

Chairman Wald I think what the House tried to do is move all of the work force training dollars under one agency and evidently the Senate doesn't agree with that concept.

Senator Grindberg If we wanted to focus the work force training money that is general fund, from my perspective that is one debate we can have between work force 2000. The executive recommendation was \$2 million and the department of vocational education was \$1,350,000. That in essence is the general fund commitment the state of North Dakota makes to work force in those two entities. If we are going to accept that and move all those entities, then you are moving people and offices and it creates a lot of concern for those agencies not having time to prepare for that.

Rep. Brusegaard Whether the agencies are nervous about it or not, wouldn't it inherently lend itself to better service providing. If you have everybody trying to do essentially the same task, work force development, housed under one agency under one roof?

Senator Thane As far the board of vocational education was concerned, they really didn't want that. I got the impression from testimony from job service that they felt that they were geared up

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Education and Environment Division
Bill/Resolution Number 1017
Hearing Date April 10, 2003

and had been doing this and could do as good or better a job than the Department of Commerce can. I think that influenced us quite a bit, that work force 2000 should stay with job service.

Chairman Wald I don't think we are prepared to accept any motions until we have leadership decide where the final resting place is going to be. Until action is taken on the commerce budget, I don't think it would be prudent to take action on this at this time.

Senator Tallackson We were influenced by the director of job service and human services.

Chairman Wald adjourned the conference committee on HB 1017, Job Service.

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10/30/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1017

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 11, 2003

Tape Number	Side A	Side B	Meter #
1	X		0.4
Committee Clerk Signature <i>Celeste Keller</i>			

Minutes:

Chairman Wald opened the conference committee on HB 1017, Job Service. All members of the conference committee were present. Chairman Wald asked for an update on commerce.

Senator Grindberg We met for the first time this morning for 45 minutes. There is no result on the work force pieces. There is really no definitive direction yet, but my guess is that this might be a call coming from leadership.

Chairman Wald We would be prepared to reinstate \$750,000 for new jobs only.

Senator Grindberg I don't believe we will accept that. Your version was \$1 million, so that is our base line.

Chairman Wald In other words, when you say \$1 million, you would want at least \$1 million for job training?

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10/30/03
Date

Page 2
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Hearing Date April 11, 2003

Senator Grindberg That's where the negotiations start, at \$1 million. We are at \$1.5, so I think that is pretty fair. We could have easily went to \$2 million and split at \$1.5. I understand the House action on new jobs only, but I think it is important if you look at the statistics with the program. I serve on the advisory committee for this program. If you look at the program, 1991 to 2003, in the 95 biennium there were 4,300 people trained, in the 97 biennium there were 4,200 people trained, in the 99 biennium there were 3,400 people trained, and presently this biennium there are 4,200 people being trained. The 99-01 biennium, of individuals receiving training recognizing that work force 2000 only contributes to a portion of that overall cost, 480 employees received a 1% to 5% pay raise. 531 employees received a 6% to 10% pay raise, 483 employees received an 11% to 15% pay raise, 417 employees experienced a 16% to 20% increase in pay. When you look at the numbers of the effectiveness of the program, it is working. A month or so ago there was an announcement about a high tech manufacturing plant in California. Their interest in relocation costs and training costs is \$5,000,000 over a 4-5 year period to employ people in this state, which is part of the proposal that we are drafting to try and secure that deal. If we were to accept \$1 million and commit \$300,000 to them, we are not going in the right direction for the rest of the employers in the state. We've got to be considering that as well as the current employers in the state.

Senator Thane I see some merit in new jobs only but I am certainly not in a position right now to accept your offer.

Chairman Wald As of this morning the ending fund balance was \$6.2 million (see handout). I concur that there is a lot of these things that we should have more money in. Functioning under what their revenue projections are, there are some things that we are simply going to have to

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Education and Environment Division

Bill/Resolution Number 1017

Hearing Date April 11, 2003

adjust. You say your starting point would be \$1 million and I think we could probably live with that. You say that is your starting and that is probably our ending and if we could agree on that I think we could adjourn this conference committee and move on.

Senator Grindberg I don't believe we can finalize this until we see where we are going with the commerce and all of the programs.

Chairman Wald I agree with you until you resolve the work force training moneys in the commerce budget, and moving people back and forth and that sort of thing, we probably should adjourn this conference committee and see what happens and meet again next week.

Senator Thane moved that we recess at the call of the chair and Rep. Brusegaard seconded.

Chairman Wald took a voice vote and the motion carried.

Chairman Wald closed the conference committee on HB 1017, Job Service.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1017

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 18, 2003

Tape Number	Side A	Side B	Meter #
1	X		0.1
Committee Clerk Signature <i>Celste Keller</i>			

Minutes:

Chairman Wald opened the conference committee on HB 1017, Job Service. All members of the conference committee were present.

Chairman Wald We are prepared to move \$1 million of general fund money into Work force 2000 funding, 50% of which must be used for new projects in expanding businesses.

Senator Grindberg I am not so sure if we should accept that without a little more discussion.

Chairman Wald The floor is open for discussion.

Rep. Gulleson For clarification, when you say the provision that the dollars be used for new and expanding businesses, it has been my understanding that that is what those dollars are used for. How would that be different than what is occurring?

Chairman Wald I think in the past some of those funds have been used in businesses where they have been well established businesses for many years and were accessing those funds for

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what I would consider normal training in a business. I think with the new language, if someone has a new product or there is a new technology or innovation, then I think those funds could be used in an existing established business. I think that is the substantial difference.

Rep. Brusegaard Even if that is what is currently happening, there is a perception among legislators that this money needs to be focused. Sometimes the best way to deal with the perception, even if it is already happening, is to spell it out. If we say that 50% of this money has to go towards a new company coming in or a company that is providing new jobs to a community, that money is focused towards that and is trying to grow the economy and jobs and I think it is a good thing.

Senator Tallackson In the original bill there was over \$2 million in there. It seems to me we would be able to agree on \$1.5 million, not \$1 million.

Chairman Wald We just thought we would cut it in half, that's a reasonable compromise.

Senator Tallackson It isn't a reasonable compromise from what you passed out.

Senator Grindberg As you are aware, they are working on the commerce budget as well and it appears that we have concurrent transfer of administrative responsibility back to the appropriate agencies as it was introduced in the executive budget. I think we can work with you on the 50% language. I understand where we want to go with that. I am a little reluctant to finalize negotiations on the dollar amount until we get a big picture perspective on what we are doing for economic development. That would relate to the Work force training dollars and the commerce budget. We are not there yet on the commerce budget.

Chairman Wald What do you think is going to change in the commerce budget?

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Hearing Date April 18, 2003

Senator Grindberg That is what I don't know. Until we get a more refined thought process in that committee, I won't be able to answer that question. If it is a matter of negotiating between \$1 million and \$1.5 million that is one thing but I think we need to see the big picture first.

Chairman Wald Do I hear you saying that you would rather put off a final decision in this budget until the commerce budget is resolved?

Senator Grindberg It would be my wish until we get a better idea where we are going and get the big picture on development, because these are economic development dollars. This is part of the package.

Senator Thane Can you give us a pretty accurate idea of what the language would be for the 50%, how are you going to spell that out?

Chairman Wald The language would read 50% of the Work force 2000 funding in section 1 of this act must be used for projects for new and expanding businesses in North Dakota.

Senator Thane Anybody's business could be expanding.

Chairman Wald Certainly that is true.

Senator Thane We have a construction (inaudible) in the little town of Abercrombie, they have been expanding. Would they qualify?

Chairman Wald Are they making a new product? If they are going to make something else and they bought new equipment, etc. If it is a routine situation, I think there comes a point in time when businesses ought to pay for their own training.

Chairman Wald We will put off our decision until sometime on Monday. I expect several e-mails from people regarding Work force training dollars. We have to remember that these are general fund dollars and we have to have an ending fund balance to get out of here. I would love

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Hearing Date April 18, 2003

to put more money in this thing, but I just don't think it is available. It is a situation where I think that every budget is going to take its hit and this is obviously one of them.

Chairman Wald adjourned the conference committee on HB 1017, Job Service.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1017

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 21, 2003

Tape Number	Side A	Side B	Meter #
1	X		0
Committee Clerk Signature <i>Celeste Keller</i>			

Minutes:

Chairman Wald opened the conference committee on HB 1017, Job Service. All members of the conference committee were present.

Chairman Wald We need to make a change, you have a copy of amendments .0202. In talking to the director, they suggested that the language in section 3, Work force 2000 funding should read new or expanding businesses.

Senator Grindberg moved to adopt amendments .0202 and Senator Tallackson seconded.

A voice vote was taken and the motion carried.

Senator Grindberg made a motion to further amend .0202 by removing "and", and insert "or" and was seconded by Rep. Brusegaard.

A voice vote was taken and the motion carried.

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Hearing Date April 21, 2003

Chairman Wald Senator Trenbeath has an amendment .0203. Marian, would you explain the purpose of this amendment?

Marian Daley Job Service has been working with the Commerce Department and workforce development division and Motor Coach Industries from Pembina to upgrade their manufacturing training to retain jobs at that bus company in Pembina. We've approved an encompassing training package, but to provide the training for their employees and cross training, they have requested an extension of the training period that would extend into the next biennium and they have also wanted to pursue manufacturing extension partnership training within industries to help them better cross train. They would not complete this training by the end of this biennium, so the request is to carry over the funds already committed to Motor Coach Industries into the next biennium to enable them to complete this training.

Chairman Wald This is an existing contract or commitment, but in terms of timing, the training hasn't completed and you are using existing funds in the current budget to satisfy the remainder of that contract?

Daley Yes. Because they were doing such an all encompassing training for their employees, they found that this piece of training offered through the manufacturing extension partnership would better meet their employee team needs.

Chairman Wald If we didn't do this, would this be like a carry over?

Daley If we didn't do this, they would have the option because the funds are committed to use it for less advantageous short term training which may not help their work crews as much. Some of it may turn back to the general fund or we could reallocate it to other companies. The anticipated

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turn back from Workforce 2000 to the general fund is only about \$10,000 because there is a waiting line for remaining funds.

Rep. Gulleson Is there any other companies that would be sitting in the same situation that would be affected in the same way?

Daley We might see a few companies that are tight, but we work with them very closely so they understand that funds committed this biennium is for training that has to be completed this biennium. There would be nothing to this magnitude with any other company.

Chairman Wald Are we setting precedence here?

Daley This one is significant in size and because of the whole purpose of the all encompassing training package to retain those jobs, we haven't seen other companies face this type of problem.

Senator Thane I don't understand what you mean by lean manufacturing training, what is the terminology?

Daley My definition is taking non productive waste and cost out of a manufacturing line.

Senator Thane I thought there were other things in place, that the workforce is trained to not make mistakes. There is an acronym for it, but I thought that was already in place in a lot of cases.

Daley (inaudible) certifications. There are various versions on this. The feedback from companies that have used this manufacturing training have been greatly impressed with their improved productivity.

Chairman Wald They had a cantankerous negotiation with a labor contract, does this in any way help keep that in a positive mode?

Page 4

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Hearing Date April 21, 2003

Daley This is part of the package that helped pull that together. There were reductions in the total number of jobs but the essential part of this training package is to retain about 300 good jobs in Pembina.

Senator Grindberg moved to adopt amendments .0203 and Senator Tallackson seconded.

A voice vote was taken and the motion carried.

Chairman Wald We now have the amended bill in front of us.

Senator Thane moved a do pass as amended and Rep. Brusegaard seconded.

ROLL CALL VOTES ON A DO PASS AS AMENDED MOTION

6 Yes 0 No 0 Absent

Rep. Wald will carry the bill.

Chairman Wald closed the conference committee on HB 1017, Job Service.

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10/30/03
Date

38017.0202
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
Representative Wald
April 18, 2003

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1017

That the Senate recede from its amendments as printed on pages 1359 and 1360 of the House Journal and pages 1177 and 1178 of the Senate Journal and that Engrossed House Bill No. 1017 be amended as follows:

Page 1, line 2, after "Dakota" insert "; and to provide for a legislative council study"

Page 1, line 5, after "appropriated" insert "out of any moneys in the general fund in the state treasury, not otherwise appropriated, and"

Page 1, line 8, replace "25,031,370" with "34,017,882"

Page 1, line 9, replace "10,718,437" with "14,529,359"

Page 1, line 11, replace "9,999" with "7,617,792"

Page 1, after line 11, insert:

"Work force 2000	<u>1,250,000</u> "
------------------	--------------------

Page 1, line 12, replace "special funds appropriation" with "all funds" and replace "35,799,490" with "57,454,717"

Page 1, after line 12, insert:

"Less estimated income	<u>56,204,717</u>
Total general fund appropriation	\$1,250,000"

Page 1, after line 15, insert:

"SECTION 3. WORK FORCE 2000 FUNDING. Fifty percent of the work force 2000 funding in section 1 of this Act must be used for projects for new and expanding businesses in North Dakota.

SECTION 4. LEGISLATIVE COUNCIL STUDY - WORKFORCE DEVELOPMENT, WORKFORCE TRAINING, PUBLIC LABOR EXCHANGE, AND UNEMPLOYMENT INSURANCE PROGRAM DELIVERY SYSTEMS. The legislative council shall consider studying during the 2003-04 interim the impact of pending federal legislation that would significantly change the respective federal-state responsibilities and funding for workforce development, workforce training, public labor exchange, and unemployment insurance programs. The study should consider appropriate organizational placement within state government for delivery of workforce development, workforce training, public labor exchange, and unemployment insurance programs, appropriate methods of funding the programs, including replacement of the Federal Unemployment Tax Act funds currently funding the administration of the unemployment insurance and public labor exchange program, and other relevant issues as may be identified. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1017 - Job Service North Dakota - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$34,411,497	\$25,031,370	\$8,986,512	\$34,017,882	\$34,017,882	
Operating expenses	14,529,359	10,718,437	3,810,922	14,529,359	14,529,359	
Capital assets	39,684	39,684		39,684	39,684	
Grants	7,617,792	9,999	7,607,793	7,617,792	7,617,792	
Work Force 2000	<u>2,002,861</u>		<u>1,250,000</u>	<u>1,250,000</u>	<u>1,500,000</u>	(\$250,000)
Total all funds	\$58,601,193	\$35,799,490	\$21,655,227	\$57,454,717	\$57,704,717	(\$250,000)
Less estimated income	<u>58,586,332</u>	<u>35,799,490</u>	<u>20,405,227</u>	<u>58,204,717</u>	<u>58,204,717</u>	
General fund	\$2,002,861	\$0	\$1,250,000	\$1,250,000	\$1,500,000	(\$250,000)
FTE	367.17	363.17	4.00	367.17	367.17	0.00

Dept. 380 - Job Service North Dakota - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	RESTORES FUNDING FOR WORKFORCE DEVELOPMENT PROGRAMS 2	RESTORES FUNDING FOR WORK FORCE 2000 3	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$39,323)	\$9,025,835		\$8,986,512
Operating expenses		3,810,922		3,810,922
Capital assets				
Grants		7,607,793		7,607,793
Work Force 2000			<u>\$1,250,000</u>	<u>1,250,000</u>
Total all funds	(\$39,323)	\$20,444,550	\$1,250,000	\$21,655,227
Less estimated income	<u>(39,323)</u>	<u>20,444,550</u>		<u>20,405,227</u>
General fund	\$0	\$0	\$1,250,000	\$1,250,000
FTE	0.00	0.00	4.00	4.00

1 This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

2 This amendment restores special funds totaling \$20,444,550 that was transferred by the House from Job Service North Dakota to the Department of Commerce. The funding relates to the senior community service employment program (\$1,070,352), trade adjustment assistance program (\$99,800), Workforce Investment Act (\$12,735,106), the new jobs training program (\$150,000), and the job opportunities and basic skills training program (\$6,389,292).

3 This amendment restores funding of \$1,250,000 from the general fund and four FTE positions relating to the Work Force 2000 program that were transferred by the House to the Department of Commerce. This amendment requires 50 percent of the funding to be used for new and expanding businesses. The Senate restored funding of \$1,500,000 from the general fund and four FTE positions relating to the program with the requirement that \$150,000 of the \$1,500,000 be available for projects in areas of the state that are not within five miles of a city with a population of more than 8,000.

38017.0203
Title.

Prepared by the Legislative Council staff for
Senator Trenbeath
April 21, 2003

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1017

That the Senate recede from its amendments as printed on pages 1359 and 1360 of the House Journal and pages 1177 and 1178 of the Senate Journal and that Engrossed House Bill No. 1017 be amended as follows:

Page 1, after line 15, insert:

"SECTION 3. EXEMPTION. The work force 2000 appropriation contained in section 1 of chapter 42 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$225,000 and any unexpended funds from this appropriation are available to be used to subcontract with the North Dakota manufactures extension partnership to provide training within industries and lean manufacturing training to North Dakota residents employed at motor coach industries during the biennium beginning July 1, 2003, and ending June 30, 2005."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section to the bill to allow Job Service North Dakota to carry over funding of \$225,000 for the Work Force 2000 program from the 2001-03 biennium to the 2003-05 biennium to subcontract with the North Dakota Manufactures Extension Partnership to provide training within industries and lean manufacturing training to individuals employed at Motor Coach Industries.

Date: April 21, 2003
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1017

House Appropriations Education/Environment Division Committee

☒ Check here for Conference Committee

Legislative Council Amendment Number .0203 and .0202

Action Taken DO PASS AS AMENDED

Motion Made By Senator Thane Seconded By Rep. Brusegaard

Representatives	Yes	No	Representatives	Yes	No
Representative Wald	X				
Representative Brusegaard	X				
Representative Guleson	X				
Senator Grindberg	X				
Senator Thane	X				
Senator Tallackson	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Rep. Wald

If the vote is on an amendment, briefly indicate intent: See proposed amendments.

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Deanna Ballantyne
Operator's Signature

10/30/03
Date

REPORT OF CONFERENCE COMMITTEE (420)
April 22, 2003 8:59 a.m.

Module No: HR-73-8075

Insert LC: 38017.0204

REPORT OF CONFERENCE COMMITTEE

HB 1017, as engrossed: Your conference committee (Sens. Grindberg, Thane, Tallackson and Reps. Wald, Brusegaard, Gulleson) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1359-1360, adopt amendments as follows, and place HB 1017 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1359 and 1360 of the House Journal and pages 1177 and 1178 of the Senate Journal and that Engrossed House Bill No. 1017 be amended as follows:

Page 1, line 2, after "Dakota" insert "; to provide an exemption; to provide for a legislative council study; and to declare an emergency"

Page 1, line 5, after "appropriated" insert "out of any moneys in the general fund in the state treasury, not otherwise appropriated, and"

Page 1, line 8, replace "25,031,370" with "34,017,882"

Page 1, line 9, replace "10,718,437" with "14,529,359"

Page 1, line 11, replace "9,999" with "7,617,792"

Page 1, after line 11, insert:
"Work force 2000

1,250,000"

Page 1, line 12, replace "special funds appropriation" with "all funds" and replace "35,799,490" with "57,454,717"

Page 1, after line 12, insert:

"Less estimated income
Total general fund appropriation

56,204,717
\$1,250,000"

Page 1, after line 15, insert:

"SECTION 3. EXEMPTION. The work force 2000 appropriation contained in section 1 of chapter 42 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$225,000 and any unexpended funds from this appropriation are available to be used to subcontract with the North Dakota manufacturing extension partnership to provide training within industries and lean manufacturing training to North Dakota residents employed at motor coach industries during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. WORK FORCE 2000 FUNDING. Fifty percent of the work force 2000 funding in section 1 of this Act must be used for projects for new or expanding businesses in North Dakota.

SECTION 5. LEGISLATIVE COUNCIL STUDY - WORKFORCE DEVELOPMENT, WORKFORCE TRAINING, PUBLIC LABOR EXCHANGE, AND UNEMPLOYMENT INSURANCE PROGRAM DELIVERY SYSTEMS. The legislative council shall consider studying during the 2003-04 interim the impact of pending federal legislation that would significantly change the respective federal-state responsibilities and funding for workforce development, workforce training, public labor exchange, and unemployment insurance programs. The study should consider appropriate organizational placement within state government for delivery of workforce development, workforce training, public labor exchange, and unemployment insurance programs, appropriate methods of funding the programs, including replacement of the Federal Unemployment Tax Act funds currently funding the administration of the

unemployment insurance and public labor exchange program, and other relevant issues as may be identified. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 6. EMERGENCY. Section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1017 - Job Service North Dakota - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$34,411,497	\$26,031,370	\$8,986,512	\$34,017,882	\$34,017,882	
Operating expenses	14,529,359	10,718,437	3,810,922	14,529,359	14,529,359	
Capital assets	39,684	39,684		39,684	39,684	
Grants	7,617,792	9,999	7,607,793	7,617,792	7,617,792	
Work Force 2000	<u>2,002,861</u>		<u>1,250,000</u>	<u>1,250,000</u>	<u>1,500,000</u>	(\$250,000)
Total all funds	\$58,601,193	\$35,799,490	\$21,655,227	\$57,454,717	\$57,704,717	(\$250,000)
Less estimated income	<u>58,598,332</u>	<u>35,799,490</u>	<u>20,405,227</u>	<u>58,204,717</u>	<u>58,204,717</u>	
General fund	\$2,002,861	\$0	\$1,250,000	\$1,250,000	\$1,500,000	(\$250,000)
FTE	367.17	363.17	4.00	367.17	367.17	0.00

Dept. 380 - Job Service North Dakota - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	RESTORES FUNDING FOR WORKFORCE DEVELOPMENT PROGRAMS ²	RESTORES FUNDING FOR WORK FORCE 2000 ³	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$39,323)	\$9,025,835		\$8,986,512
Operating expenses		3,810,922		3,810,922
Capital assets				
Grants		7,607,793		7,607,793
Work Force 2000			<u>\$1,250,000</u>	<u>1,250,000</u>
Total all funds	(\$39,323)	\$20,444,550	\$1,250,000	\$21,655,227
Less estimated income	<u>(\$39,323)</u>	<u>20,444,550</u>		<u>20,405,227</u>
General fund	\$0	\$0	\$1,250,000	\$1,250,000
FTE	0.00	0.00	4.00	4.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment restores special funds totaling \$20,444,550 that was transferred by the House from Job Service North Dakota to the Department of Commerce. The funding relates to the senior community service employment program (\$1,070,352), trade adjustment assistance program (\$99,800), Workforce Investment Act (\$12,735,108), the new jobs training program (\$150,000), and the job opportunities and basic skills training program (\$6,389,292).

³ This amendment restores funding of \$1,250,000 from the general fund and four FTE positions relating to the Work Force 2000 program that were transferred by the House to the Department of Commerce. This amendment requires 50 percent of the funding to be used for new or expanding businesses. The Senate restored funding of \$1,500,000 from the general fund and four FTE positions relating to the program with the requirement that \$150,000 of the \$1,500,000 be available for projects in areas of the state that are not within five miles of a city with a population of more than 8,000.

This amendment also:

(2) DESK, (2) COMM

Page No. 2

HR-73-8075

REPORT OF CONFERENCE COMMITTEE (420)
April 22, 2003 8:59 a.m.

Module No: HR-73-8075

Insert LC: 38017.0204

- Adds a section to the bill to allow Job Service North Dakota to carry over funding of \$225,000 for the Work Force 2000 program from the 2001-03 biennium to the 2003-05 biennium to subcontract with the North Dakota Manufacturing Extension Partnership to provide training within industries and lean manufacturing training to individuals employed at Motor Coach Industries.
- Adds a section to the bill providing for a Legislative Council study of workforce development, workforce training, public labor exchange, and unemployment insurance program delivery systems.

Engrossed HB 1017 was placed on the Seventh order of business on the calendar.

2003 TESTIMONY

IIB 1017

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10/30/03
Date

April 11, 2003

**2003-05 BUDGET STATUS SUMMARY
AS OF APRIL 10, 2003**

Beginning Balance and Revenues

Legislative budget estimate of unobligated general fund cash balance - July 1, 2003		\$5,192,180
Add 2003-05 estimated revenues		
Proposed executive budget general fund revenues		\$1,768,286,434
Legislative revenue changes		
Major increases		
March 2003 forecast revision		\$7,347,103
HB 1003, 1019, 1020 - Student loan trust fund transfer	Senate amended	16,258,969
SB 2012 - Health care trust fund transfer	House passed	35,911,035
SB 2015 - Information technology savings transfer	House passed	6,000,000
SB 2022 - Water development trust fund transfer	House passed	10,070,373
SB 2337 - Hotel room sales tax	Final action	2,900,000
Major decreases		
HB 1243 - Lottery collections	Final action	(404,000)
HB 1471 - Corporate income tax collections	Senate amended	(544,000)
SB 2015 - Limit permanent oil tax trust fund transfers to \$14.3 million	House passed	(7,943,762)
SB 2076 - Cigarette tax collections	Senate defeated	(29,729,000)
SB 2285 - Gaming tax collections	Senate passed	(809,674)
Other increases (decreases)		528,438
Total legislative changes affecting revenues		\$39,585,482
Total estimated general fund revenues and beginning balance - 2003-05		\$1,813,064,096

Appropriations

Executive budget general fund appropriations - 2003-05		\$1,762,103,934
Legislative appropriations changes		
Major increases		
Department of Human Services (SB 2012)	House passed	\$27,380,982
State Water Commission (SB 2022)	House passed	9,411,320
Higher education (HB 1003)	Senate passed	6,759,108
Department of Commerce (HB 1019)	Senate passed	1,738,879
Department of Commerce (SB 2337)	Final action	2,900,000
Division of Emergency Management (SB 2016)	House passed	418,556
Agriculture research and extension (HB 1021)	Senate passed	337,420
Contingent state employee salary increases (SB 2015)	House passed	4,335,022
Major decreases		
Department of Public Instruction (SB 2013) (SB 2154)	House passed	(4,124,582)
Job Service North Dakota (HB 1017)	Senate passed	(502,861)
Judicial branch (HB 1002)	Senate passed	(1,253,148)
Tax Department (SB 2006)	House passed	(978,991)
Information Technology Department (HB 1022)	Senate passed	(708,714)
State Department of Health (HB 1004)	Senate passed	(553,232)
State Board for Vocational and Technical Education (HB 1020)	Senate passed	(442,886)
Industrial Commission (HB 1015)	Senate passed	(422,626)
Other increases (decreases) net		442,257
Total legislative changes affecting appropriations		\$44,736,504
Current status of 2003-05 general fund appropriations		\$1,806,840,438

Estimated Ending Balance

Estimated budget status general fund balance - June 30, 2005	\$6,223,658
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Comparison of 2003-05 General Fund Appropriations to 2001-03 Appropriations

Current status of 2003-05 general fund appropriations	\$1,806,840,438
2001-03 legislative general fund appropriations	1,746,983,713
Increase (decrease)	\$59,856,725

Footnotes

Beginning balance - Executive budget unobligated general fund cash balance - July 1, 2003	\$3,862,909
Legislative action affecting the July 1, 2003, balance	
March 2003 forecast revision	962,091
HB 1016 - Additional Department of Corrections turnback	242,000
HB 1019 - Additional Department of Commerce turnback	150,000
SB 2084 - Deferred collection of fees	(24,820)
Total legislative changes affecting the beginning balance	\$1,329,271
Estimated unobligated general fund cash balance - July 1, 2003	\$5,192,180

- The beginning balance is based on adjusted 2001-03 appropriation authority of \$1,732,118,893 (legislative appropriations of \$1,746,983,713, less the 1.05 percent state agency allotment of \$18.3 million, plus additional state matching funds for the Intergovernmental transfer program of \$3.5 million) and the revised 2001-03 general fund revenue forecast of \$1,669,878,241, which includes a contingent Bank of North Dakota transfer of \$22.9 million, pursuant to Section 12 of 2001 House Bill No. 1015. The \$3,862,909 balance represents the executive budget estimate of agency 2001-03 general fund turnback.

Bills with indeterminable fiscal impact - The budget status amounts do not reflect the impact of House Bill No. 1441 which allows the state to use general fund money to purchase oil put options. The Tax Department has indicated that the fiscal impact is indeterminable.

This summary and additional detail are available on-line at www.state.nd.us/ir/fiscal/reports.html.

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Deanna Ball
Operator's Signature

10/30/03
Date

Job Service North Dakota

Appropriations Committee Handout



Prepared for Appropriations Committee
by Job Service North Dakota
House Bill 1017
January 2003

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House Bill No. 1017
Testimony before the Appropriations Committee
January 10, 2003

Chairman Martinson, members of the House Appropriations Committee, Education and Environment Division, my name is Maren Daley, the Executive Director of Job Service North Dakota. I am pleased to provide testimony in support of House Bill No. 1017. I will focus my remarks today on the many accomplishments Job Service has achieved during the current biennium, as well as our budgetary needs for the coming biennium.

About Job Service North Dakota

Job Service mission:

"Job Service North Dakota provides customer-focused services to meet the current and emerging workforce development needs of the state." That is the mission of Job Service North Dakota and that is what we do.

Internal satisfaction surveys indicate employee understanding and support for mission is high.

Internal employee satisfaction surveys indicate a high percentage of Job Service employees not only understand the agency's mission, but support its successful completion. Our employees are highly-motivated, highly-skilled professionals dedicated to the varied customers they serve.

The 21st century American business community and its accompanying workforce are in perpetual motion. Their needs are in continual flux. Where yesterday businesses struggled to find available workers, today it is the workers being challenged to find the increasingly scarce number of available jobs. It is supply and demand, creative destruction, an on-going economic struggle for labor market equilibrium.

This is the world Job Service North Dakota serves. And, like that world, Job Service North Dakota is also in perpetual motion, adjusting and evolving to meet the current and emerging workforce development needs of the state.

We follow the business environment we serve by using the management techniques that businesses apply to themselves.

Job Service is guided by the "Customer First" Business Plan.

Job Service North Dakota is guided by a strategic business plan, aptly titled the Customer First Business Plan. The plan is reviewed constantly and modified annually. It is the guiding force behind our business practices. The business plan is supplemented by four sub-plans: one each

for training, conferences, information technology and marketing. A series of teams, complete with charters, are the tools that sprout from the root of the business plan and give it life.

Businesses are Job Service's primary customers.

A business plan is meaningless if its purpose is not clear. As its name implies, the Job Service Customer First Business Plan is all about the customer. The agency serves numerous and diverse customer groups; foremost among them is the business customer. The business customer is the focal point of the career building process, for without adequate careers with the business customers, we don't have a career in which jobseekers can be placed and retained. Job Service North Dakota provides value to its business customers through a variety of services.

BUSINESS CUSTOMERS

Workforce 2000

Workforce 2000 helps businesses train workers and upgrade their skills when new technologies and work methods are introduced.

Job Service North Dakota administers Workforce 2000. First enacted by the 1991 North Dakota Legislative Assembly, Workforce 2000 is a state-funded job training program. It is designed to help North Dakota businesses train and upgrade workers' skills when new technologies and work methods are introduced in the workplace. Funding is made available in the form of a cost reimbursement contract, which identifies the direct training costs to be covered.

The Workforce 2000 Program has two primary objectives: First, to assist companies that are undergoing major technological changes. Second, it provides funding assistance when training is deemed critical to the company and in occupations that are deemed to have inadequate trained personnel. Training funded under Workforce 2000 is limited to North Dakota residents who are or will be employed in the State of North Dakota.

In the current biennium, through the end of December, nearly \$775,000 went to businesses in rural areas; that's approximately 41% of the total.

Workforce 2000 has done a remarkable job helping small companies and companies located in rural areas. For the current biennium, the Legislature designated that \$150,000 of the nearly \$2 million available for training, be specifically targeted for businesses in rural areas. Workforce 2000 vastly exceeded that targeted level. Our most current figures (through December 2002) show that nearly \$775,000 went to businesses in rural areas. That's approximately 41% of the funds distributed through that date.

Workforce 2000 funds have contributed to 138 projects, helping to train 4,210 individuals.

Workforce 2000 funds contributed to 138 projects thus far this biennium, which translated to training assistance for 4,210 North Dakota citizens. In addition to the nearly \$1.9 million allocated to date from the Workforce 2000 fund, employers contributed an additional \$19.1 million. (Employer contributions include the wages paid to workers while they are being trained.)

This vital program has helped hundreds of North Dakota businesses implement new technology and improve the skills of their employees.

Workforce 2000 Historical Projects

The number of workers trained using Workforce 2000 funds rose from 3,500 in 1999-2001 to over 4,200 through 18 months of the current biennium.

Tab 4 includes supplemental information on Workforce 2000. Page 5 in that section indicates that the number of employees trained through Workforce 2000 increased from just under 3,500 in the 1999-2001 biennium to already over 4,200 individuals through the first 18 months of this biennium.

North Dakota New Jobs Training Program

The New Jobs Training Program provides incentives to businesses and industries that are expanding or creating new employment in the state.

Job Service North Dakota also administers the New Jobs Training Program. Enacted by the 1993 North Dakota Legislature, the North Dakota New Jobs Training Program is designed to provide incentives to businesses and industries that are expanding or creating new employment opportunities within the state.

Its purpose is to help make firms globally competitive.

The purpose of the North Dakota New Jobs Training Program is to support the growth and competitiveness of North Dakota's workforce and industry by providing incentives to encourage businesses to make investments to ensure North Dakota's workforce has the skills and expertise to compete in a global economy.

The North Dakota New Jobs Training Program has two primary objectives: First, it provides an incentive for companies who are creating new job opportunities in the state; second, it provides a mechanism for these companies to secure no-cost funding to help offset the cost of training new employees for their business expansion and/or start-up.

Under the North Dakota New Jobs Training Program, the employer either self-finances training or obtains funds in the form of a loan or repayable grant. The loan can be obtained from a commercial lender, local development corporation, the Bank of North Dakota, or other qualified

The loan, grant, or self-financed training is repaid through the capture of the state income tax withholding generated from the new jobs created.

Only "primary sector" businesses are eligible to participate in the New Jobs Training Program.

lenders. Repayable grants could be issued by the state, a city, or a local development corporation.

The loan, grant, or self-financed training, plus interest, is repaid through the capture of the state income tax withholding generated from the new jobs created. State income tax withholding can be captured for up to a ten-year period or until the loan is repaid, whichever comes first.

Eligible businesses include "primary sector" businesses, or businesses engaged in the process of providing services in interstate commerce, who are creating new employment opportunities in North Dakota. Employees filling new positions under a North Dakota New Jobs Training Agreement must be paid an income of at least \$7.50 per hour, plus benefits, by the end of the first year of employment in a new job position covered under a project.

Since the New Jobs Training Program is directed only at primary sector businesses, its scope is more limited than that of Workforce 2000. The New Jobs Training Program has helped create thousands of new jobs in the state. These statistics reflect the program's performance since 1999:

North Dakota New Jobs Training Program Performance

	Projects	# New Jobs	ND Income Tax Withholding
1999	20	1,955	\$3,592,741
2000	12	593	\$1,337,091
2001	20	1,459	\$3,054,329
2002	24	1,321	\$1,819,626

Employer Relations

Job Service is ideally positioned to deliver training funds because of its existing relationships with North Dakota businesses.

Job Service is in an ideal position to market and administer both Workforce 2000 and the New Jobs Training Program because of our existing relationships with businesses across the state.

In each Job Service office, a team is assigned to meet the current and emerging needs of our business customers. Job Service professionals in all offices solicit job openings, provide assistance in recruitment of workers, and help write effective job descriptions, the goal being to promote good hiring practices so that the right person is hired to fill the open position. Job Service professionals also answer questions on unemployment insurance, equal opportunity, or other labor-related issues;

and explain other programs designed to provide employer assistance, like Workforce 2000 and the New Jobs Training Program.

Over 1,000 employers have registered with Job Service's online job listing service.

Employers also have the capability to list their job openings online with both North Dakota's and America's Job Banks. They can search America's Job Bank for resumes of individuals meeting their qualifications and notify that person they are interested in further discussing the job opening with them. To date, over 1,000 employers have registered with our online job listing service. In the past two years, employers entered over 1,200 job openings in our online service.

Employers have entered over 1,200 job openings in the online service.

However, in the next several months, Job Service will move even further in our efforts to bring employers and workers together when we unveil our new online labor exchange system. Located on our website at jobsnd.com, it will provide both employers and job seekers with far more tools than are currently available.

Job Service Website – jobsnd.com

Job Service is introducing a new online labor exchange system in the next several months.

The slogan for jobsnd.com, the Job Service website, is, "Where employers and employees meet," and the coming new services make that slogan truer than ever. Employers will, at their convenience, be able to list their own job openings, review posted resumes, receive online job applications and have access to the most current and relevant labor market information. Unlike the national labor exchange system, Job Service will maintain control over the new system, allowing us to monitor its performance and modify or add to it, depending on customer needs. We expect even better employer participation in the new system than we received for North Dakota's and America's Job Bank.

It promises even greater online customer service by allowing customers to guide their own experience.

Job Service's website, jobsnd.com, is one of the most visited in North Dakota state government. In 2001 and 2002, our website averaged over 80,000 visits per month. Over half of those visits came from commercial web servers, even more visits than originated from computers within the Job Service network, which accounted for just over 30 percent of all visits. This indicates customers appreciate our self-service delivery system; they are accessing our online services when and where they choose.

Jobsnd.com averages around 80,000 visits per month.

Job Service is a leader in e-government services.

Job Service's website has led the state in providing e-government solutions to customer demands and the new services will improve even further upon our past performance. In 1996, Job Service's Labor Market Information Center was far ahead of the curve when it first created a web presence for the agency. The LMI Center's information has been available through the Data Warehouse for six years, a lifetime as Internet

"history" is measured. That web presence has evolved over time and is now a major fixture in our self-service strategy.

The site's job search utility is the most widely used e-government utility in North Dakota. With the additional products and services that will be available through our new labor exchange application, we expect the number of visits to our site will continue to climb.

Community Service

Job Service staff collaborate with the Workforce Development System by serving as ex officio members on their advisory boards and on their provider groups. The agency's presence in the communities it serves is vast, with Job Service employees serving on economic development councils, chambers of commerce, service clubs and other community organizations.

Unemployment Insurance Services for Businesses

Job Service North Dakota also serves the business community through the administration of the state's Unemployment Insurance Program.

The Unemployment Insurance Program provides temporary income maintenance to eligible unemployed workers who are unemployed through no fault of their own. The principal components of the Unemployment Insurance (UI) program are payment of benefits, identification of liable employers, collection of UI taxes, collection of benefit overpayments, quality assurance, and general administration.

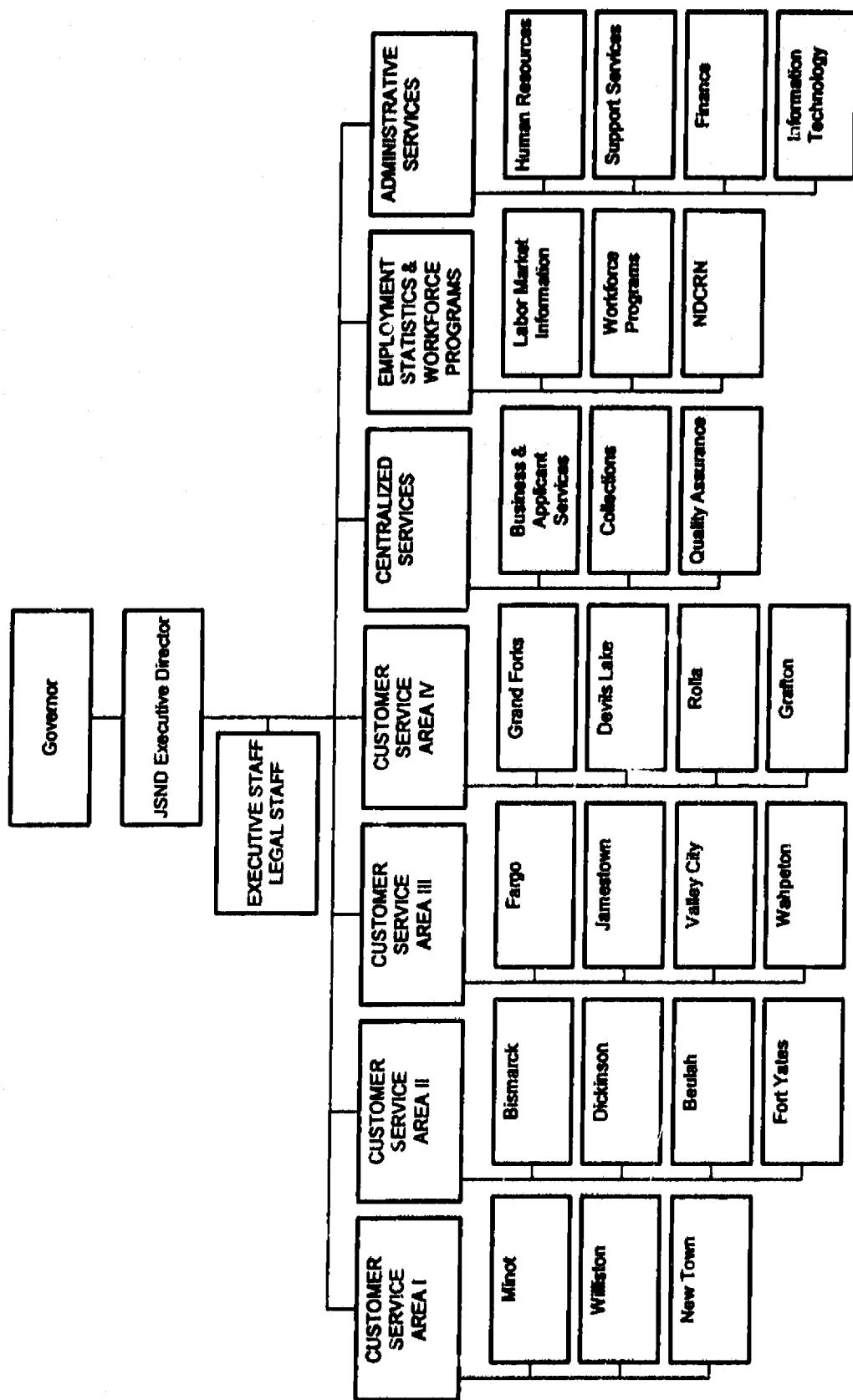
A basic program funding principle is that the Unemployment Insurance program be financed through employer taxes. The economic theory behind the program is that it should act as an economic stabilizer in times of economic downturn, so the downturn or recession would not have such a dramatic effect on businesses. The theory includes the idea that funds should be accumulated in the UI trust fund during periods of economic growth so they will be available to pay benefits during economic downturns. Employers share in, or pool, the risk of unemployment by contributing to a State unemployment trust fund, which pays out benefits. Employers' UI taxes are deposited directly in the Trust Fund, with no deductions, and can only be used for the payment of benefits to unemployed workers. The individual employer generally does not pay the full cost of the event that is insured against at the time the event occurs, although over time its tax rates reflect its experience with unemployment.

Unemployment Insurance provides temporary income maintenance to eligible unemployed workers who are unemployed through no fault of their own.

The program is financed through employer taxes.

The program is meant to be a stabilizer during economic downturns.

JOB SERVICE NORTH DAKOTA



08/02

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10/30/03

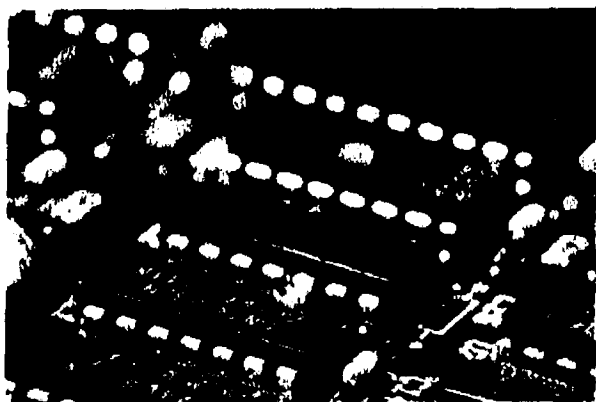
CUSTOMER SERVICE AREAS



JOB SERVICE North Dakota
WORKFORCE PROGRAMS
JSND-6045 (R. 1-01)

10/30/03
Date

WORKFORCE 2000 and



NORTH DAKOTA NEW JOBS TRAINING PROGRAMS

Prepared by Job Service North Dakota
December 31, 2002

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Workforce 2000 Training Program Background

In 1991, the North Dakota Legislative Assembly enacted the Workforce 2000 Training Program to assist North Dakota employers in training and upgrading workers' skills. This state funded training program was designed to fill gaps left by federally funded training programs that generally target long term-unemployed individuals, dislocated workers, and other disadvantaged groups.

In the last 20 years, rapid advances in technology, global competition, and introduction of new work methods has placed an ever-increasing burden upon North Dakota's employers. As employers try to keep pace, the need for highly skilled workers continues to rise. The Workforce 2000 Program enhances an employer's ability to access training programs with an objective of providing the skilled workers needed to compete in today's technologically advanced and global economy.

Workforce 2000 can provide funds to employers to help cover some of the direct costs associated with providing retraining or upgrade training to employees. Employers creating new employment opportunities in North Dakota, introducing new technologies or equipment, or making significant changes in production methods, which require substantive instruction or training, are eligible for funding.

From 1991-2001, Workforce 2000 provided \$4.1 million in funds to 400 employers. During this same time frame, 12,944 employees received training; an average cost of \$317 per employee. For the 2001-2003 biennium, \$1.99 million has been appropriated for training programs. Through December 31, 2002, \$1.88 million has been obligated to train 4,210 individuals under 138 contracts.

North Dakota New Jobs Training Program Background

The 1993 Legislative Assembly enacted the North Dakota New Jobs Training Program into law. This state funded workforce training program provides a mechanism for companies to secure funding to help offset the cost of training new employees. To qualify, an employer must be locating to the state or expanding employment within the state. New jobs created under a project developed between Job Service North Dakota and the employer must pay a minimum of \$7.50 per hour plus benefits within the first 12 months of employment.

In order to apply for assistance to cover the cost of training under the North Dakota New Jobs Training Program, an employer must elect to self-finance or obtain a loan or repayable grant to cover the cost of training. The loan, repayable grant, or self-financing are then repaid through state income tax withholding credits equal to the state income tax withholding projected to be generated from the new jobs created. The employer can use the state income tax withholding credits for up to ten years or until the loan is paid, whichever comes first.

Between 1994 and 2002, an estimated 9,973 new positions have been created through 106 North Dakota New Jobs Training projects. During this same time period, the North Dakota State Tax Department has issued \$5.92 million in North Dakota state income tax withholding credits to employers.

Workforce 2000 Advisory Committee Membership

Maren Daley, Executive Director
Job Service North Dakota
P.O. Box 5507
Bismarck, North Dakota 58506-5507

State Agency Representatives

Jim Hirsch
North Dakota Department of Commerce

Don Roloff
State Board for Vocational and Technical
Education

Urbie Weber
Job Service North Dakota

Beth Zander
Job Service North Dakota

Private Sector Representatives

Dale O. Anderson
Greater North Dakota Association

Pamela Lavin
Rural Electric Cooperative Association

Bill Butcher
National Federation of Independent Business

Local Economic Development Representatives

Tony Grindberg
NDSU Research & Technology Park, Inc.

Organized Labor Representatives

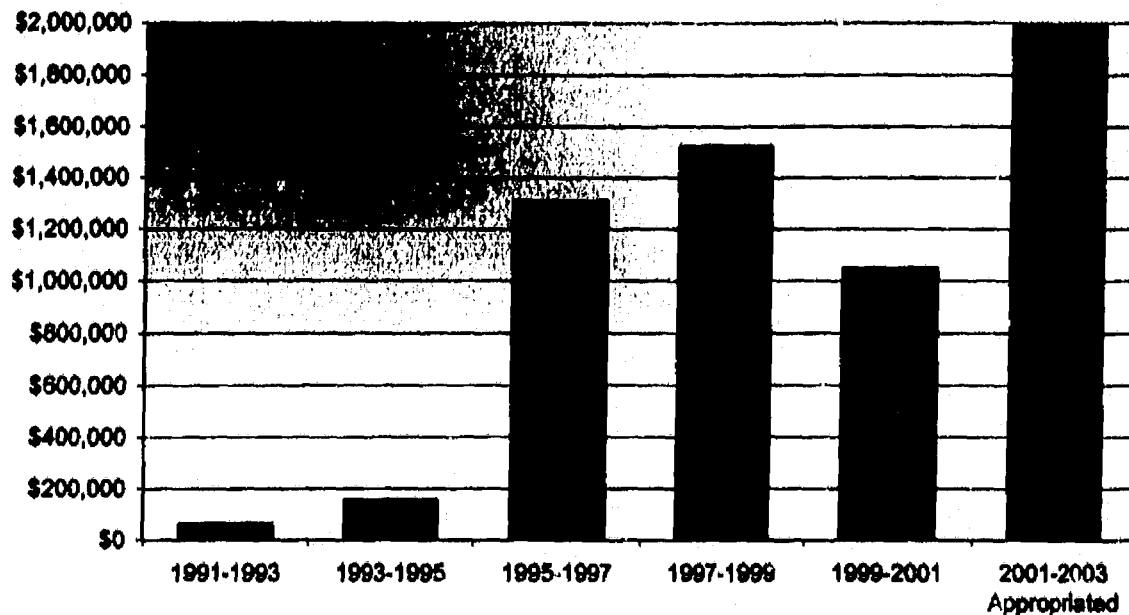
Al Austad
North Dakota AFL-CIO

Non-voting Administrative Staff

Duane Bergeson
Job Service North Dakota

Donna Stoltz
Job Service North Dakota

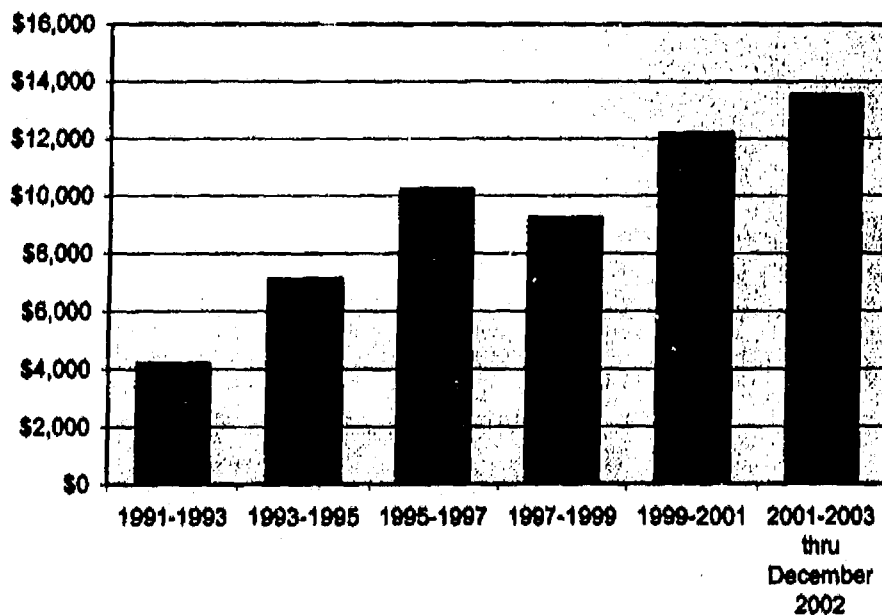
Workforce 2000, Funds Expended; Historical Overview 1991 - 2003



Comment

The North Dakota Legislative Assembly appropriates Workforce 2000 Program funds. Unspent funds at the end of a biennium are returned to the North Dakota General Fund. For the 2001-2003 biennium, the amount presented is the total funds appropriated for the biennium. Actual obligations through December 31, 2002, for the 2001-2003 biennium, are \$1.88 million.

Workforce 2000, Average Contract Grant Awarded; Historical Overview 1991 - 2003

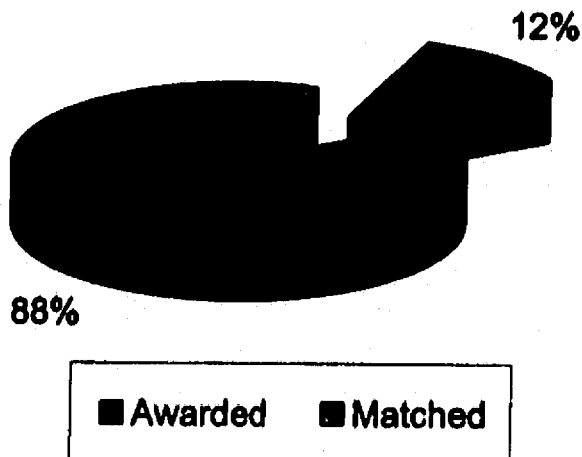


Comment

Costs of technology and training associated with implementation of new equipment and changing work methods contribute to increased cost of grant awards.

Workforce 2000, Value of Matching Contributions By Employers; 1999 - 2001

Source	Funds
Workforce 2000 Funds	\$1,048,767
Employer Funds	\$8,053,017

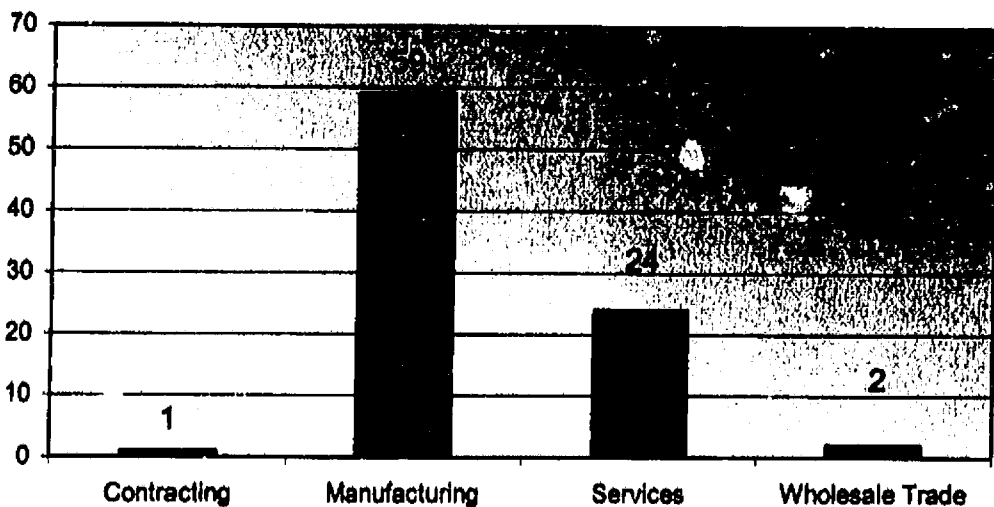


Comment

North Dakota Century Code Section 52-08.1.04 requires encouragement of companies to participate with in-kind contributions. All contracts for the 1999 - 2001 biennium are closed and follow-up with the employers has been completed. This is why the 1999 - 2001 biennium has been chosen as an example here, and through out much of this report.

This chart shows employers are meeting their commitment to training by matching Workforce 2000 funds. For the 1999-2001 biennium, employers matched at a level of \$7.68 for every grant dollar received from Workforce 2000. Employers' matching monetary funds are used for the employees' wages paid during training and portions of the training fees not covered by Workforce 2000 grants. In addition, the matching funds include valuation of in-kind contributions of training space, training equipment, training supplies, and technical assistance.

Workforce 2000, Contracts Awarded By Industry; 1999 - 2001



Comment

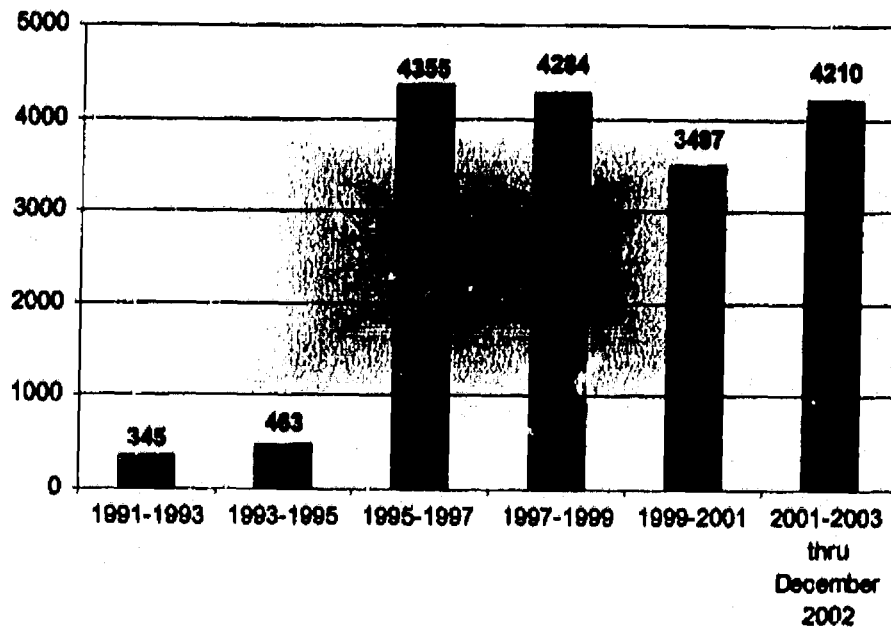
Workforce 2000 funds are awarded to businesses and industries that bring new revenue to the state by selling a majority of their products and services outside of North Dakota. Businesses that sell products or services in the local area are also eligible for Workforce 2000 funding. However, these businesses need to demonstrate a compelling economic benefit to the community or state. As depicted here, the business sector with the most potential for bringing in new revenue from out of state is the manufacturing sector.

Workforce 2000, Employees Trained; Historical Overview 1991 - 2003

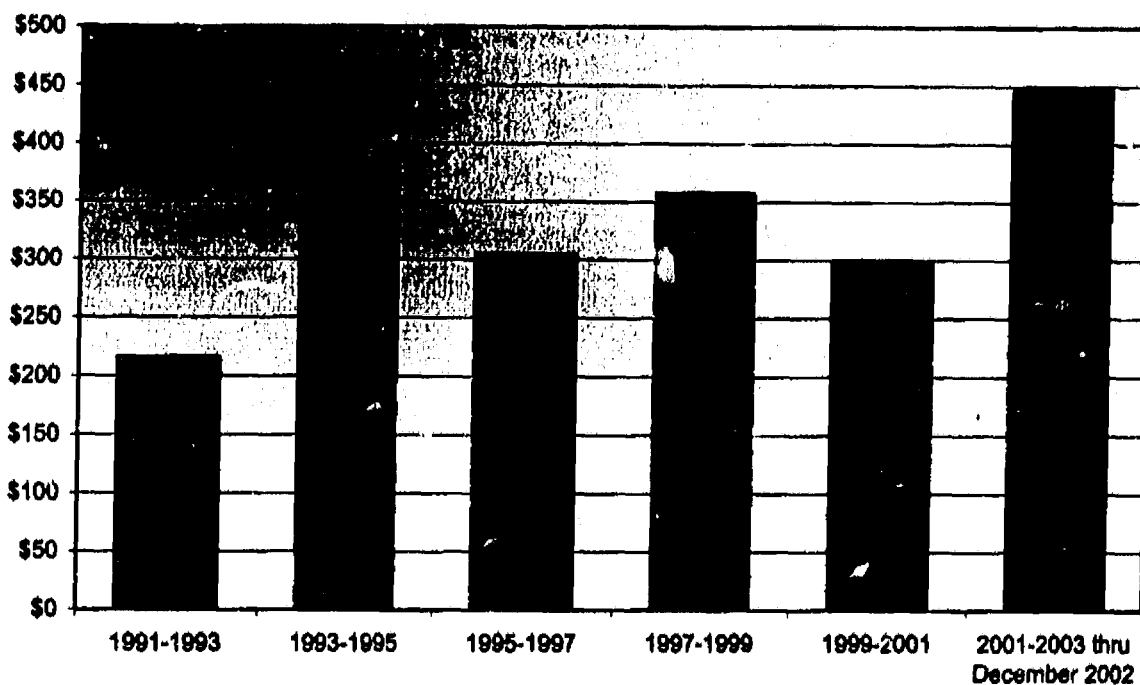
Comment

The amount of funding available each biennium does have some impact on the number of employees who receive training. However, the number of employees trained each biennium is much more dependent upon the economic viability of the proposals received from employers.

With the large quantity of proposals competing for limited dollars, the selection of employers who will receive grants goes beyond just training a large volume of employees. The overall economic impact must be considered. Such as wages, generation of out-of-state revenue, and other economic benefits to the community or state.



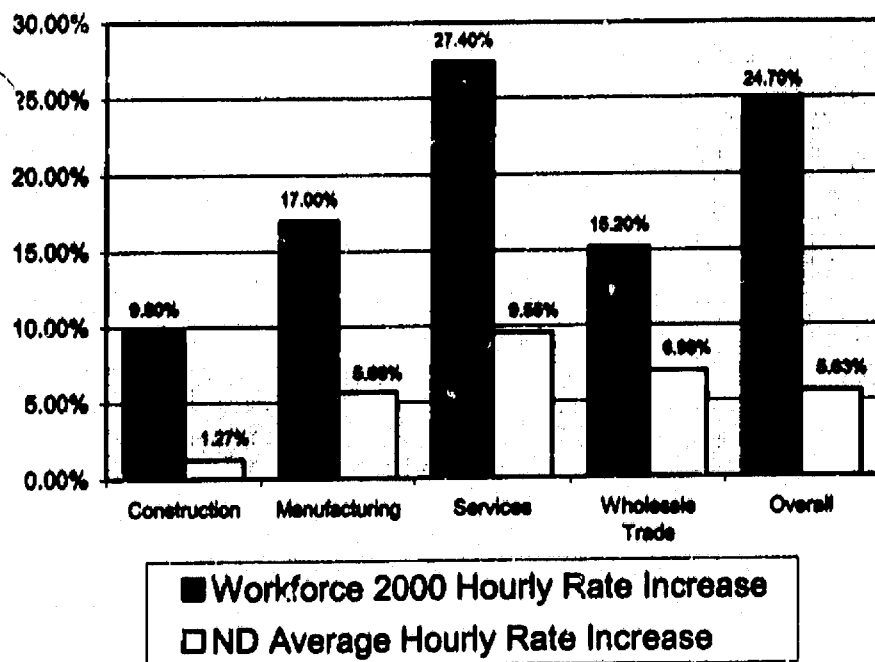
Workforce 2000, Cost per Employee; Historical Overview 1991 - 2003



Comment

Cost per employee can vary from year to year based on the amount of Workforce 2000 funds expended, the number of employees trained, and the rising cost of education. However, compared to other states with similar training programs, North Dakota's spending appears reasonable. The following is what other states have spent per employee: Nebraska - \$126.75 (2001-2002), Hawaii - \$377.45 (1999-2000), Colorado - \$546.66 (2001-2002), Kansas - \$1,000.00 (2001-2002), Alaska - \$1,284.51 (2000-2001), and Montana - \$2,500.00 (2001-2002).

Workforce 2000, Average Hourly Wage Rate Increases by Industry; 1999 - 2001



Comment

Hourly wage rates are collected prior to training and 1 year after training. The chart at the left shows how employees receiving training had average hourly wage rate increases at a level exceeding the 1999 to 2001 North Dakota statewide industry average increases.

North Dakota Century Code Section 52-08.1-02 requires Workforce 2000 to provide customized, retraining, and upgrade training in occupations that pay not less than 200% of the federal and state minimum wage. Two hundred percent of the federal and state minimum wage is \$10.30 per hour.

The average pretraining hourly wage of all companies receiving funding was \$11.32 per hour for 3,497 employees. One year after training, the average hourly wage for employees still employed was \$14.12 for 2,301 employees.

Source: North Dakota Workforce 2000 Program follow-up monitoring reports and Job Service North Dakota's Labor Market Information publications; North Dakota Employment & Wages: 1999, and North Dakota Employment & Wages: 2001 Annual Wages.

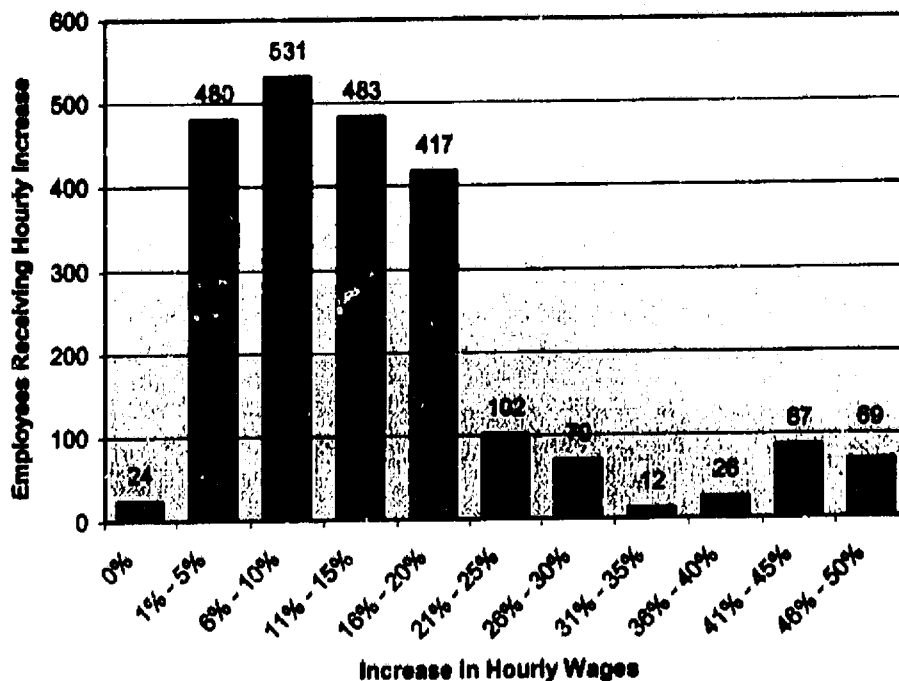
Workforce 2000, Distribution of Pay Raises One Year After Training; 1999 - 2001

Comment

Of those employers receiving program funds during 1999 - 2001, 74 of 86 (86%) reported an increase in hourly wages for 2,301 employees retained one year after training.

Of those employers reporting increases, 65 (88%) reported average increases of 1 to 25 percent and 9 (12%) reported average increases of 26 to 50 percent.

Only 24 (1%) employees, from 12 different employers, retained one year after training had not received an increase in hourly wages. However, 14 of these employees were new and had an initial pretraining wage of \$0.00. At one year after training, these 14 employees were making an average of \$8.14 per hour. The remaining 10 employees who did not receive pay raises were with companies affected by the loss of contracts and the underestimation of demand for services.



Effect of the Workforce 2000 Program On North Dakota's Economy; 1999 - 2001

Measuring the effect of the Workforce 2000 Program in North Dakota is at least, complex. However, the worth of the Workforce 2000 Program can be measured by wages and employee retention. During the 1999-2001 biennium, trained employees' wages increased an average of \$2.80 per hour and employers retained 65.8% of the employees one year after training. Despite 34.2% of the employees leaving within one year after training, the majority of these individuals went on to jobs paying equivalent wages or jobs with improved wages as a result of the training received.

The cost per trainee during the 1999-2001 biennium averaged \$299.91. One way to calculate the effectiveness of the program, or a rate of return on investment, is to project the increased North Dakota income tax and sales tax collections that result from higher wages. However, one needs to remember these projections are based on the average wage increases of 2,301 individuals trained under 86 contracts.

As wages go up, North Dakota should expect increased state income tax collections. During the 1999-2001 biennium, the average Workforce 2000 trainee received an average hourly pay raise of \$2.80. An employee working a full-time job (2,080 hours) and receiving the average pay raise of \$2.80 would earn an additional \$5,824.00 a year. Assuming this employee is married and falls into North Dakota's first tax bracket, taxable income of \$0.00 to \$46,700.00, the increased wages nets North Dakota an extra \$122.30 ($\$5,824.00 \times 2.1\%$) in state income tax each year. If this same employee fell into North Dakota's second tax bracket, taxable income of \$46,700.00 to \$112,850.00, the increased tax collection would be \$228.30 per year ($\$5,824.00 \times 3.92\%$). The extra tax collections are based on the new North Dakota tax rate structure that took effect in 2001.

In addition, let's assume this same person has 20% withheld for payroll taxes. After taxes, the employee has an estimated \$4,659.20 of extra disposable income. Assuming this individual spends at least 50% of the disposable income on taxable sales and services, the state will stand to collect an additional \$116.48 through the 5% sales tax.

Depending upon an employee's tax bracket and their spending habits, on average it will take the state .87 to 1.26 years to recover the funds spent on each individual trained with Workforce 2000 dollars. This calculation does not even consider increased property taxes, motor vehicle excise taxes, fuel taxes, or other excise taxes an individual may incur as a result of higher wages.

In addition to the state getting a return on its investment monetarily in the short-term, the bigger picture to North Dakota should be the long-term contribution of the trained individual to the state's economy. Having a highly trained labor force not only means higher taxable wages, but can also serve as an incentive for new or out-of-state businesses to locate in North Dakota. Knowing trained employees are available in North Dakota could entice some businesses to take a second look at our state.

Geographical Distribution of Employers Receiving Workforce 2000 Grants; 1999 - 2001

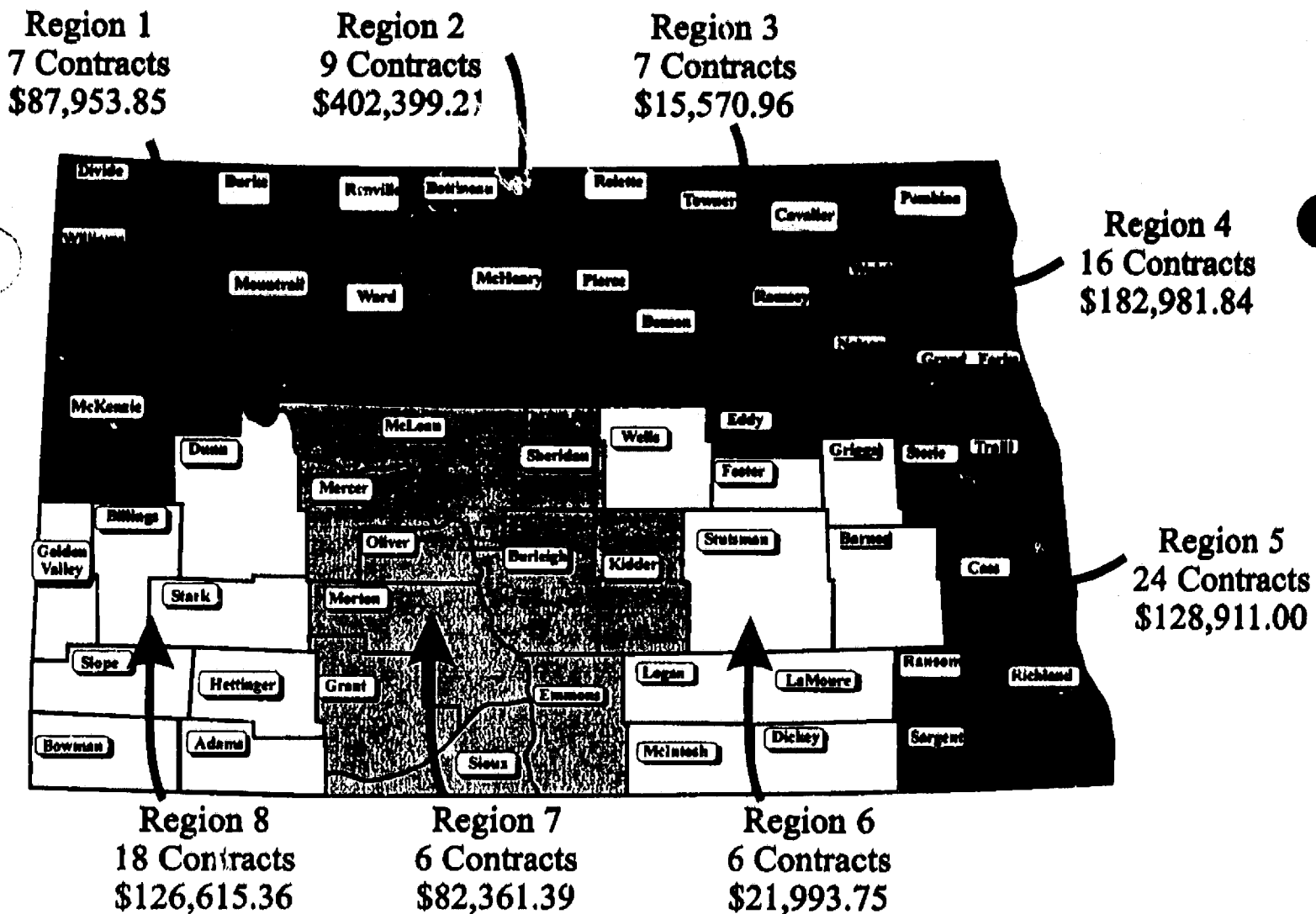
Comment

This graph depicts the geographical distribution of Workforce 2000 funds for the 1999-2001 biennium. This biennium is highlighted because it is the most recent biennium for which all contracts are closed and future fund adjustments are not required.

The importance of the geographical distribution is based on a mandate to spend at least \$100,000.00 during the biennium in rural areas. Rural areas are defined as areas that are not within five miles of any city with a population of more than eight thousand. During the 1999-2001 biennium, \$249,872.45 was distributed in areas designated as rural, nearly 150% more than what was required.

Region 2 received the most Workforce 2000 funds. However, two of the nine contracts in Region 2 accounted for \$348,875.00 of the total contracts in this Region. These two contracts involved startup companies that alone were committed to training 1,168 new employees.

Included in the identified number of contracts by region are seven cancelled contracts; two in Region 3, two in Region 4, and three in Region 5. However, the total Workforce 2000 funding shown for each region is the actual expenditures for those regions.



Other Indicators Relating to the Effectiveness of the Workforce 2000 Program

Comment

The effectiveness of a program goes beyond just measuring the increased numbers of businesses and employees benefiting from the program. The effectiveness of a program can also be gauged by comments of those customers using the program. The following employer comments attest to the success of the Workforce 2000 Program.

Contract WF-06-02

"We brought in 2 new business units, utilizing several different network systems & processing work for thousands of agents and policy owners. Continue the wonderful service & support we received from Donna Stoltz!"

Contract WF-16-02

"New software technologies allowed us to bring in out of state sales."

Contract WF-20-02

"The turn around on this request was exceptional. Donna is very responsive to our needs."

Contract WF-25-02

"We feel the Workforce 2000 program is an extremely valuable asset to our operation and have been very satisfied with the assistance and support of the program and its staff."

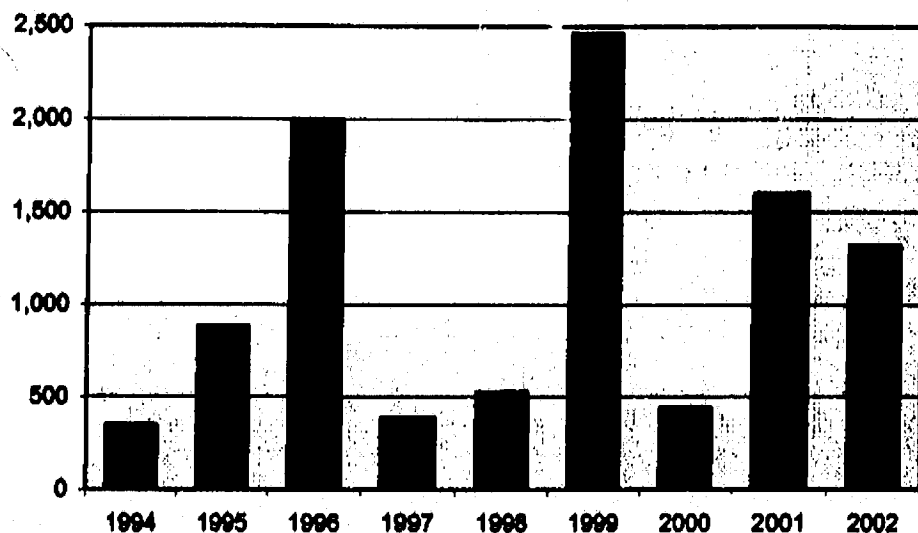
Contract WF-39-02

"This is the first time we utilized the Workforce 2000 Program. It was a reasonable process. The paperwork was not difficult to complete, the personnel involved in the process were helpful. We found out about the program right before we began the training so our initial proposal was reviewed immediately because a committee meeting was scheduled for the next day. The program is wonderful and is beneficial to a company and its personnel. Thank you."

Contract WF-98-02

"The program was conducted very successfully and promptly -- on schedule -- with positive feedback from the employees."

New Jobs Program, Projected New Positions; 1994 - 2002



Comment

These figures represent the projected number of new positions to be created by employers who enter into New Jobs Training Agreements with Job Service North Dakota. The actual number of new positions created can be less than the number projected in the agreements. This can be due to out-of-state residents filling jobs created along the state's border. Out-of-state individuals are not counted under New Jobs Training agreement.

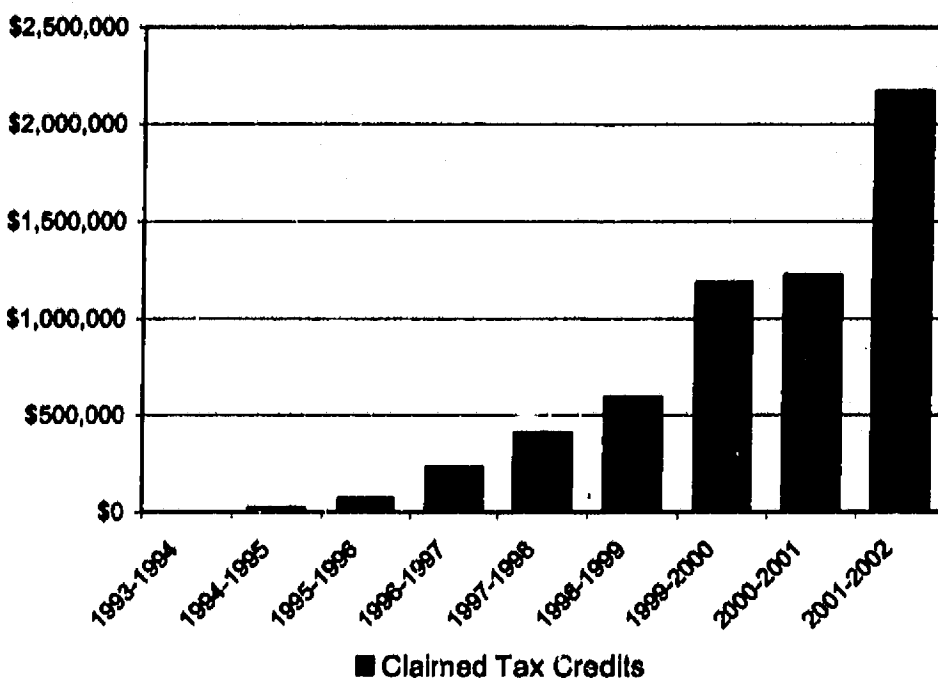
Employers report the actual number of new positions filled each quarter when they claim their North Dakota income tax withholding credit from the North Dakota Tax Department.

New Jobs Program, Tax Credits Claimed by Employers; 1994 - 2002

Comment

The amount of state income tax withholding credit available to an employer is based on the following criteria:

- The number of permanent, full-time new positions created.
- The wage rate paid to individuals filling new positions.
- An income tax withholding rate provided by the North Dakota State Tax Department is applied to the actual annual salary of the new jobs being created.
- The North Dakota income tax-withholding rate is applied to the annual gross wages of the new jobs created, and is then multiplied by the number of new positions in each pay category.
- This figure is then multiplied by 10 (the maximum number of years of the program) to establish the maximum state income tax withholding credit available under a North Dakota New Jobs Training Program.



Under the North Dakota New Jobs agreement, an employer has up to 10 years from the effective date of the agreement to claim the North Dakota income tax withholding credit. Employers claim their income tax withholding credits through filing quarterly reports with the North Dakota State Tax Department. From 1994-2002, the North Dakota State Tax Department has issued \$5.92 million of income tax withholding credits to employers. For this same time frame, \$16.1 million has been projected to be available to employers participating in the North Dakota New Jobs Program.

In some cases, employers will not claim their full projected income tax withholding credit. This can occur when the employer falls short on the projected number of new positions created, fails to file required documents, or upon the early termination of a New Jobs Training agreement.

North Dakota's Workforce Investment Act

Negotiated Performance Measures Summary

For Program Year 2001 (July 01 to June 02)

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Deanna G. Hall
Operator's Signature

10/30/03
Date

WORKFORCE INVESTMENT ACT
Negotiated Performance Measures Summary
For Program Year 2001 (July 01 to June 02)

Program Year 2000			Program Year 2001			Program Year 2002
Negotiated	Actual	Level Achieved	Negotiated	Actual	Level Achieved	Negotiated

Adult Program Results At-A-Glance

Exit Period Covered by Measures: October 00 to Sept 01

Entered Employment Rate	70.0%	73.4%	104.9%	71.0%	70.9%	99.9%	72.0%
Employment Retention Rate*	81.0%	76.4%	94.3%	82.0%	83.8%	102.2%	83.0%
Average Earnings Change*	\$2,760.00	\$3,290.00	119.2%	\$2,788.00	\$2,846.00	102.1%	\$2,816.00
Employment and Credential Rate	45.0%	39.1%	86.9%	46.0%	47.8%	103.9%	47.0%
Average	100%		101%	100.0%		102.0%	

Dislocated Worker Results At-A-Glance

Exit Period Covered by Measures: October 00 to Sept 01

Entered Employment Rate	77.0%	76.8%	99.7%	78.0%	77.3%	99.1%	79.0%
Employment Retention Rate*	88.0%	84.3%	95.8%	89.0%	87.4%	98.2%	90.0%
Earnings Replacement Rate*	92.0%	99.8%	108.5%	93.0%	113.4%	121.9%	94.0%
Employment and Credential Rate	46.0%	51.0%	110.9%	47.0%	52.7%	112.1%	48.0%
Average	100%		104%	100.0%		107.8%	

Older Youth Results At-A-Glance

Exit Period Covered by Measures: October 00 to Sept 01

Entered Employment Rate	60.0%	71.4%	119.0%	61.0%	70.0%	114.8%	62.0%
Employment Retention Rate*	76.0%	87.5%	115.1%	77.0%	83.9%	109.0%	78.0%
Average Earnings Change*	\$3,255.00	\$3,714.00	114.1%	\$3,288.00	\$3,834.00	116.6%	\$3,321.00
Employment and Credential Rate	36.0%	33.9%	94.2%	37.0%	43.8%	118.4%	38.0%

Younger Youth Results At-A-Glance

Exit Period Covered by Measures: July 01 to June 02

Skill Attainment Rate	66.0%	84.1%	127.4%	67.0%	66.9%	99.9%	68.0%
Diploma or Equivalent Attainment	55.0%	56.6%	102.9%	56.0%	64.6%	115.4%	57.0%
Retention Rate*	72.0%	62.5%	86.8%	73.0%	74.2%	101.6%	74.0%
Total Youth Average	100%		108.5%	100.0%		110.8%	

Customer Satisfaction

Exit Period Covered by Measures: July 01 to June 02

Participant Satisfaction	64.0%	79.2%	123.8%	65.0%	82.7%	127.2%	66.0%
Employer Satisfaction	62.0%	76.3%	123.1%	63.0%	78.9%	125.2%	64.0%
Average	100%		123%	100.0%		126.2%	

* PY 2001 Exit Period Covered - October 00 to June 01

Performance Measures are calculated as follows:

Adult Entered Employment Rate

Of those who are not employed at registration:
adults who have entered employment by the end of the 1st Qtr. after exit

of adults who exit during the quarter

Adult Employment Retention Rate

Of those who are employed at registration or in 1st Qtr. after exit:
of adults who are employed in 3rd Qtr. after exit

of adults who exit during the quarter

Adult Earnings Change

Of those who are employed at registration or in 1st Qtr. after exit:
[Total Post-Program Earnings (earnings in Qtr 2 + Qtr 3 after exit)] - [Pre-Program Earnings (earnings in Qtrs 2 + 3 prior to registration)]

of adults who exit during the quarter

Adult Employment and Credential Rate

Of those enrolled in training:
of adults who were employed in the 1st Qtr. after exit and received a credential by the end of 3rd quarter after exit

of adults who exited services during the quarter
Dislocated Worker Measures

Dislocated Worker Entered Employment Rate

of dislocated workers who have entered employment by the 1st Qtr. after exit

of dislocated workers who exit during the quarter

Dislocated Worker Retention Rate

Of those who are employed in the 1st Qtr. after exit:
of dislocated workers who are employed in 3rd Qtr. after exit

of dislocated workers who exit during the quarter

Dislocated Worker Earnings Replacement Rate

Of those who are employed in the 1st Qtr. after exit:
Total Post-Program Earnings (earnings in Qtr 2 + Qtr 3 after exit)

Pre-Dislocation Earnings (earnings in Qtrs 2 + 3 prior to dislocation)
(For dislocated workers with no date of dislocation, Qtrs. 3 + 4 prior to registration will be used)

Dislocated Worker Employment and Credential Rate

Of those enrolled in training:
of dislocated workers who were employed in the 1st quarter after exit and received credential by the end of 3rd quarter after exit

of dislocated workers who exit during the quarter
Older Youth (19-21 years old) Measures

Older Youth Entered Employment Rate

Of those who are not employed at registration and do not move on to post-secondary education or advanced training:
of older youth who have entered employment by the end of the 1st Qtr. after exit

of older youth who exit during the quarter

Older Youth Employment Retention Rate

Of those who are employed at registration or in 1st Qtr. after exit and who do not move on to post-secondary education or advanced training:

of older youth who are employed in 3rd Qtr. after exit

of older youth who exit during the quarter

Older Youth Earnings Gain Rate

Of those who are employed at registration or in 1st Qtr. after exit and who do not move on to post-secondary education or advanced training:

[Total Post-Program Earnings (earnings in Qtr 2 + Qtr 3 after exit)] - [Pre-Program Earnings (earnings in Qtrs 2 + 3 prior to registration)]

of older youth who exit during the quarter

Older Youth Credential Rate

of older youth who were in employment/post-secondary education/advanced training by the end of the first Qtr. after exit and received a credential by the end of 3rd Qtr. after exit

of older youth who exited during the quarter

Younger Youth (14-18 years old) Measures**Younger Youth Skill Attainment Rate**

Total # of attained basic skills + # of attained WR skills + # of attained Occ. skills

Total # of basic skills goals + # of WR skills goals + # of Occ. skills goals

Younger Youth Diploma or Equivalent Attainment Rate

Of those who register without a diploma or equivalent:

who attained secondary school diploma or equivalent during the quarter

who did not attain diploma/equivalent and who exited during the quarter (except those still in secondary school) + # who have attained diploma/equivalent during the quarter

Younger Youth Retention Rate

of participants found in one of the following in the 3rd Qtr. after exit:

- post secondary education
- advanced training
- employment
- military service
- qualified apprenticeships

of younger youth who exited during the quarter (except those still in secondary school)

Customer Satisfaction

To meet the customer satisfaction measurement requirements of WIA, the Department will use customer satisfaction surveys. The Department will use the American Customer Satisfaction Index (ACSI) that is the most widely used index currently in practice. The ACSI is a single score created by combining scores from three specific questions that address different dimensions of customers' experience.

Job Service North Dakota Attained Service Levels

Employment Services (July 1, 2001 – June 30, 2002 Program Year)

- 62,874 Active Applications
- 45,088 Job Openings
- 29,962 Placements/Obtained Employments

Unemployment Insurance (October 1, 2001 – September 2002)

- \$45.1 million Paid in Unemployment Insurance Benefits
- \$49.2 million Unemployment Insurance Trust Fund Balance
(as of 11/30/02 Includes 15.3 million in Reed Act funds.)
- 22,255 New, Transitional, and Interstate Liable Claims

North Dakota Job Training Programs

- Workforce 2000 Projects (July 1, 2001 – December 31, 2002)
 - ☑ 138 Separate Projects
 - ☑ 4,207 Individuals Trained
 - ☑ \$21.01 million Total Training Costs
 - ☑ \$1.87 million Paid Through Workforce 2000
 - ☑ \$445.62 Average Cost per Trainee to Workforce 2000
- North Dakota New Jobs Creation (January 1, 2002 – December 31, 2002)
 - ☑ 24 Projects
 - ☑ 1,321 New Jobs Created
 - ☑ 15 Projects Using Self Financing Option
 - ☑ 941 New Jobs Created

Federally-Funded Job Training Programs (July 1, 2001 – June 30, 2002)

- Workforce Investment Act (WIA) program enrollments
 - ☑ 1,183 Adults
 - ☑ 43 Adults age 55 plus (subset of Adults)
 - ☑ 1,116 Youth
 - ☑ 571 Dislocated Workers
- JOBS (Job Opportunity and Basic Skills)
 - ☑ 3,584 Individuals Enrolled
- Trade Adjustment Assistance (TAA)
 - ☑ 10 Individuals Enrolled
- Senior Community Service Employment Program (SCSEP)
 - ☑ 111 Individuals Enrolled
- Welfare-to-Work
 - ☑ 599 Individuals Enrolled
- North Dakota Survival 2000
 - ☑ 71 Individuals Enrolled

Labor Market Information

See attached Labor Market Information Center Publication Schedule.

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Operator's Signature

10/30/03
Date



Labor Market Information Center Publication Schedule December 2002

<u>Publication</u>	<u>Frequency</u>	<u>Data Elements</u>	<u>Next Publish Date</u>	<u>Comments</u>
CORE PRODUCTS				
Wages for North Dakota Jobs	Annual	<ul style="list-style-type: none">• Wages by occupation - Statewide, Planning Region, MSA• Employment by occupation - Statewide, Planning Region, MSA	Feb '03	
	Biennial	<ul style="list-style-type: none">• Employment projections by occupation - Statewide• Employment projections by industry - Statewide	Apr '03	<ul style="list-style-type: none">• Current publication forecasts through 2008• Next publication will forecast throughout 2010
Labor Market Advisor	Monthly	<ul style="list-style-type: none">• North Dakota Insider - A feature article is presented each month• Planning Region Profile - The economic profile of one of the eight planning regions is highlighted each month• Unemployment Rate U.S., Statewide, ND Counties• Nonfarm wage and salary employment (CES) - Statewide, MSAs• Manufacturing Hours & Earnings - U.S., ND, & Fargo-Moorhead MSA• U.S. Consumer Price Index• U.S. Producer Price Index• Labor Force - U.S., ND, ND Counties, ND MSAs• Labor Force comparison - ND, MN, SD, MT	Dec '02	<ul style="list-style-type: none">• Published first week of every month• Unemployment Rate, Nonfarm Wage and Salary Employment, and Labor Force are required elements• Other elements are supplementary

All publications and supporting data are available on the Job Service website at jobend.com.

12/9/2002 - Page 1 of 6

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10/30/03



Labor Market Information Center Publication Schedule December 2002

<u>Publication</u>	<u>Frequency</u>	<u>Data Elements</u>	<u>Next Publish Date</u>	<u>Comments</u>
Employment & Wages	Annual	• Employment by Industry - Statewide, Planning Region, County	Dec '02	• These data includes only employment covered by the Unemployment Insurance program
		• Wages by Industry - Statewide, Planning Region, County		
Unemployment Rate Press Release	Monthly	• Labor Force - Statewide, County, MSA	Dec '02	
		• Unemployment Rate - Statewide, County, MSA		
Annual Report	Annual	• Nonfarm employment (CES) - Statewide, County, MSA		
		• Too numerous to list (see publication)		
North Dakota's Economic RoadMap	Annual	• Economic news review from previous year	Oct '02	• Report on activity in the Unemployment Insurance program
		• Introductory article	Feb '03	
		• Population - current and historical by Statewide, County, MSA		• Textual analysis accompanies each of the data elements
		• Wages - current and historical by Statewide, County, MSA		
		• Employment - current and historical by Statewide, County, MSA		• 2003 edition will be published in February 2003
		• Unemployment Claims - Statewide, County		
		• Job Creation in the 1990s by industry - Statewide, Planning Regions		

All publications and supporting data are available on the Job Service website at joband.com.

12/9/2002 - Page 6 of 6

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Labor Market Information Center Publication Schedule December 2002

<u>Publication</u>	<u>Frequency</u>	<u>Data Elements</u>	<u>Next Publish Date</u>	<u>Comments</u>
North Dakota's Economic RoadMap (cont'd)		<ul style="list-style-type: none">• Location Quotient - Statewide, Planning Regions• Industrial Mix - Statewide, Planning Regions, MSA• Labor Force - current and historical by U.S., Statewide, Planning Regions, MSA• Per capita personal income - current and historical by Statewide, County, MSA• Taxable sales & purchases - current only by Statewide, Planning Region• Building permits - Statewide, Planning Region• Projected employment for next two years - Statewide, Planning Region• Unemployment Claims - percentage of Statewide total by Planning Region, County• Wages - comparison of ND vs. U.S., surrounding states, & highest-wage states• Gross state product (GSP) - U.S., Plains states, & ND by industry• Gross state product (GSP) - historical comparison of U.S., Plains states, ND from 1977 to present• ND International Exports - current and historical by product and country of destination		

All publications and supporting data are available on the Job Service website at joband.com.

12/9/2002 - Page 3 of 6

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Deanna Hall

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Labor Market Information Center Publication Schedule December 2002

Publication	Frequency	Data Elements	Next Publish Date	Comments
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- Appendix - county ranks for population, employment, wage, per capita personal income, unemployment claims
- Population distribution by Planning Region

The Wire @jobsnd.com

Monthly

- An e-newsletter with a link to the Labor Market Advisor

Dec '02

- New LMI publications are highlighted
- Various sources of ND and National economic news are featured

Benefits Surveys

Biennial

- Vacation
- Insurance
- Retirement
- Salary Policy
- Other Benefits

Elements are reported separately for clerical/production/hourly and management/professional/salaried workers

Aug '02	Bismarck/Mandan
Aug '02	Grafton
Aug '02	Grand Forks
Oct '02	Beulah/Hazen
Oct '02	Rosette County
Nov '02	Dickinson
Jan '03	Devils Lake
Mar '03	Fargo
May '03	Jamestown
Jul '03	Minot
Sep '03	Valley City
Nov '03	Wahpeton
Jan '04	Williston
Feb '04	Statewide

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Labor Market Information Center Publication Schedule December 2002

<u>Publication</u>	<u>Frequency</u>	<u>Data Elements</u>	<u>Next Publish Date</u>	<u>Comments</u>
(County) Economy At A Glance	Biennial	<ul style="list-style-type: none">• Population by City 1940-2000• Land Area• Per Capita Income• Ag & Energy Production• Employment by Industry• Wages by Industry• Industry Mix• Median Age• Labor Force Participation Rates - male and female• Population by Race• Population by Age• Unemployment Rate - County vs. ND 1978-2001• Average Employment 1985-2001		<ul style="list-style-type: none">• Follows schedule similar to the Local Employment Surveys (see below)

Where Will the Jobs Be in 2010?	Biennial	<u>Occupational Projections</u> <ul style="list-style-type: none">• By education level• By largest number of openings• By highest growth rate• By largest sub-industry growth• By largest decline• By major industry• Wages & projected employment for common occupations• Training required for projected occupations• List of largest projected occupations	Jul '03	<ul style="list-style-type: none">• This information is taken from the long-term employment projections by occupation• Glossy, 3-page brochure
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All publications and supporting data are available on the Job Service website at jobend.com.

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Labor Market Information Center
Publication Schedule
December 2002

<u>Publication</u>	<u>Frequency</u>	<u>Data Elements</u>	<u>Next Publish Date</u>	<u>Comments</u>
Religious Employment in North Dakota	Triennial	<ul style="list-style-type: none">• Occupational employment by denomination, faith group for Statewide, County, select Cities• Introductory article	Mar '04	
Local Employment Surveys	Biennial	<ul style="list-style-type: none">• Employment by industry• Industrial mix• Employment comparison to cities of similar size• Number of firms• Female employment - current and historical• Part-time employment - current and historical	Jul '02 Aug '02 Sep '02 Oct '02 Dec '02 Jan '03 Jul '03 Aug '03 Aug '03	Minot Dickinson Beulah/Hazen Devils Lake Jamestown Valley City Rolla Wahpeton Williston

SPECIAL REPORTS FOR 2002 RELEASE

The Balancing Act: Challenges for Today's Working Women

ad hoc

August '02 • Secondary research reviewing the evolving role of women in the workforce and society, at large

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North Dakota Workforce Development Council

"Making Good Things Happen for North Dakotans"

TO: North Dakota Workforce Development Council

SUBJECT: Position on funding for the state funded workforce training and workforce development programs.

Working definitions:

Workforce Development refers to education and training whereby students or individuals are direct customers of the service delivery system. This includes education and training provided to and through: 1) K-12, post-secondary, and proprietary institutions; 2) the existing workforce that is unemployed, displaced, disadvantaged or underemployed, and; 3) the existing employed workforce served through life-long learning and continuing education.

Workforce training, or jobs training, refers to the more immediate service relationships involved in responding to short term business and industry needs. It is business and industry driven and often involves customized or contracted training. The business is usually the direct client of the services delivered.

The differentiation. The primary factor that differentiates workforce development from workforce training is the primary customer being served. Workforce development is oriented toward meeting the education and training needs of individuals, including providing continuing education and life-long learning. Workforce training is oriented toward serving the training needs of business and industry.

Within this context, the major state agencies partnering to provide workforce development and workforce training throughout the state include the North Dakota State University System, Job Service North Dakota, State Board for Vocational and Technical Education, Department of Public Instruction, Department of Human Service and the North Dakota Workforce Development Council.

The North Dakota Workforce Development Council coordinates the efforts of the State Agencies administering the federal and state funded workforce development and workforce training programs in North Dakota. This current structure allows North Dakota to:

1. Maximize access to federal funding;
2. Foster more focused delivery of workforce development and workforce training services to North Dakota citizen and employers and;
3. Provide more responsive services to business, industry and economic development professionals.

North Dakota's workforce development and workforce training programs include a number of specific federally funded programs complemented by several State funded programs. The State funded programs fill 'gaps' in workforce training and are targeted toward addressing employer needs for keeping their workforce trained and competitive.

Background:

North Dakota's 21st Century Demographics show that the State will be faced with tighter labor markets, an aging workforce, wider "skill gaps", and a replacement worker issue.

According to Peter Drucker, "The dominant factor in the next two decades is not going to be economics or technology. It will be demographics. Workforce is an increasingly big piece of the economic development puzzle. In the knowledge economy, our competitive economic advantage depends on the quantity and quality of our workforce". Our state, our communities, and our businesses, depend on our workforce development system.

A well trained highly skilled workforce is essential to the future economic growth and vitality of North Dakota and to the global competitiveness of the businesses and industries located in the state. Site selectors for business and industry consistently rate "the availability of a well-educated and highly-trained labor force" as one of the highest priorities in selecting a state, and in turn a community, for locating their business or industry.

The North Dakota Legislative Assembly has enacted legislation, leading to an effective workforce training system to meet the training needs of current and potential businesses and industries in the state.

- 1991 - Workforce 2000 Program
- 1993 - North Dakota New Jobs Training Program
- 1999 - Workforce Training Quadrants

There is a high level of cooperation and coordination regarding workforce development and workforce training among the organizations and agencies involved in economic development at the local and state level.

The success of the workforce development and workforce training programs are documented by the reports and tracking of participants that is being done by the agencies and colleges who have administrative responsibility for the programs.

North Dakota needs to maintain its current commitment and funding levels for State funded workforce development and workforce training programs. In addition, North Dakota needs to pursue a permanent funding source for the Workforce 2000 Program and the Workforce Training Quadrants Program. In addition, a new program is needed to provide funding to support the training of underemployed and youth in primary sector

and high demand, high skill, targeted occupations having an average annual wage of \$25,000 or more, in return for a commitment to work in North Dakota.

Recommendations:

1. State funding for the workforce development and workforce training programs is continued at the current levels.
2. Continue the workforce development and workforce training system as currently structured and administered.
3. Continue to address accessibility to training and provide access to funding to assist the underemployed with retraining for high demand and high skill jobs that exist in North Dakota.
4. Work with the legislature and the Governor's Office to develop a permanent funding source for workforce development and workforce training programs.
5. Explore options to fund a new program to provide matching funds to assist with retraining underemployed workers and youth for primary sector and high demand high skill target occupations in return for a commitment to work in North Dakota.

Attachment I

Workforce Development and Workforce Training

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Funding Sources and Delivery System

An effective and responsive workforce development and workforce training system has the capacity to deliver employer focused training in a timely manner and provides incentives for North Dakota businesses to invest in training for their incumbent workers. Both the delivery system and the funding sources are important and work together in providing needed training to meet employer and worker training needs.

Funding Sources:

Workforce 2000 Program. Workforce 2000 provides matching funds to assist North Dakota employers in upgrading the skills of current workers (North Dakota residents) when new technologies or new work methods are introduced. The program also provides pre-employment training when new companies located to the state or North Dakota businesses are expanding. Workforce 2000 is administered by Job Service North Dakota. Program funding is used to provide a "match" to employers to help reduce the cost of training and thereby make the training more affordable. The program is marketed by local development corporations and business services staff of Job Service.

North Dakota New Jobs Training Program. North Dakota New Jobs Training provides funding to "primary sector" business by capturing the State Income Tax Withholding generated from new jobs created by eligible businesses in the state. The program is administered through Job Service North Dakota. Administrative fees for the program are paid by businesses participating in the program. Businesses can access funding by either obtaining a loan, repayable grant or a self-finance option. Under the loan or repayable grant option, 100% of the eligible state income tax withholding each quarter would be applied to repayment of loans and repayable grants. Under the self-finance option, 60% of the eligible state income tax withholding each quarter would be reimbursed back to the business to cover cost of training individuals filling new job positions.

Delivery System:

Workforce Training Quadrants Program. Workforce Training Quadrants Program provides funding to the two year state colleges assigned primary responsibility for workforce training in their respective quadrant to develop the delivery system for needed training. The training providers include the four-year colleges and universities, tribal colleges, vocational and technical centers, comprehensive high schools and other private and public training providers. The location, time, and content of the training provided will be determined by the business and industry receiving the training. Development and support of the infrastructure is important to an effective workforce training delivery system in North Dakota.

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Exhibit #1
HB 1017
Maren Daley

Job Service North Dakota

Appropriations Committee Handout



With exception
of the following
pages testing provided
to Senate was same
as the House

Prepared for Appropriations Committee
by Job Service North Dakota
House Bill 1017
March 2003

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SENATE APPROPRIATIONS COMMITTEE TESTIMONY – HB 1017

March 12, 2003

Chairman Holmberg and members of the Senate Appropriations Committee, my name is Maren Daley and I am the Executive Director of Job Service North Dakota. Thank you for allowing me the opportunity to testify today on HB 1017, the Job Service appropriations bill.

As you know, the engrossed bill is substantially different from the original bill. Specifically, all workforce training funding was removed from the Job Service appropriation and transferred to the Department of Commerce. The transfer is designed to consolidate all workforce training funds in a single state agency.

As part of our continuous pursuit of customer-driven quality and improvement, Job Service North Dakota recognizes that there are opportunities to improve and further coordinate the current delivery of workforce training, workforce development and economic development in the State of North Dakota. However, we also believe that engrossed HB 1017 is not the best way to accomplish that improvement. We respectfully request that the Senate restore Job Service's appropriation to its original form for the 2003-05 biennium and that you adopt the amendment we bring before you today as a rational approach to realizing the changes the House amendments suggest.

Because of the speed with which this bill made its way through the House, we were not given the opportunity to voice our concerns with the amendment presented there. As a result, I would like to take the bulk of my time today to discuss the engrossed bill. However, included in my written testimony today is an amended version of the testimony I provided to the House Appropriations Committee. It details Job Service's mission, our customer service orientation, our business planning process, the services we provide our customers, and the performance measures we use to guide our delivery.

You may review it at your convenience, but let me just say that Job Service is a leader among state agencies when it comes to planning and customer orientation. And we are a national leader in terms of service delivery. In the current biennium, North Dakota was 1 of only 12 states to receive an incentive grant from the U.S. Department of Labor for the delivery of workforce training programs. Job Service worked in partnership with the Department of Public Instruction and the State Board for Vocational and Technical Education to receive the \$750,000 grant. Without all partners demonstrating exemplary performance, we would not have been awarded the grant.

In addition, our Unemployment Insurance program has received regional awards for its service to both businesses and claimants. And our Labor Market

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Doreen Baller
Operator's Signature

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Information Center has been nationally recognized for its accuracy and its service to the workforce development community.

Our web site, jobsnd.com, is one of the most frequently visited sites in state government. It averages approximately 80,000 visits per month. Thousands of job seekers visit jobsnd.com every day to look for jobs posted by over a thousand of the state's employers. Recent enhancements to jobsnd.com make it an even more powerful tool, giving job seekers and employers much more control over the process.

Now, please allow me to address the engrossed HB 1017.

INTENTIONS OF HOUSE AMENDMENTS

From various statements by House members, we learned that the House amendments were intended to accomplish three things:

1. Create greater efficiency in the delivery of workforce training programs in North Dakota.
2. Create greater coordination in the management of workforce training programs across state agencies.
3. Direct more workforce training funds toward primary sector jobs.

Senators, while these ~~are~~ worthy intentions, the engrossed bill is not the best way to accomplish them. Please allow me to address them in order.

EFFICIENCY IN THE DELIVERY OF WORKFORCE TRAINING

Job Service North Dakota delivers workforce training services with tremendous efficiency. Our organizational structure is ideally suited to deliver optimal customer service. Here are some reasons why:

- We have 18 customer service offices across the state, with staff allocated to serve the needs of our customers and to fulfill the requirements of the workforce training programs.
- To facilitate more personalized and effective customer service, we recently deployed a new IT tool that modernizes how we track the progress of our customers and the success of our programs.
- Our web site, jobsnd.com, is currently undergoing a complete transformation to give businesses and job seekers more control over the

recruitment and employment processes. The new site is more user-friendly and allows customers to personalize their experiences.

- Our current delivery system integrates the state's employment services with its training programs, creating an optimal continuum of services. This allows Job Service to:
 - Assess a customer's employment situation;
 - Identify the barriers to a customer's employment;
 - Help remove those barriers by coordinating the training the customer needs to become employed; and,
 - Deliver a barrier-free employee to the state's business community.This integration is an extremely valuable service to the state's business community and overall economy.
- The program mix we provide our unemployment insurance customers helps them get back to work more quickly, as customers move immediately from filing an unemployment insurance claim to our re-employment services. That synergy keeps skilled workers in the state and acts as a stabilizing force in the state's economy.

Let me emphasize here that these efforts are focused on the state's business community. Job Service's overriding purpose is to help provide a skilled and stable workforce for the state's businesses, so that business development and expansion can proceed with the understanding that an adequate and appropriate workforce exists in North Dakota.

Next, please allow me to address the coordination issue.

WORKFORCE DEVELOPMENT COUNCIL PROVIDES COORDINATION

With the passage of the federal Workforce Investment Act of 1998, the State of North Dakota formed a Workforce Development Council, chaired by the state's Director of Workforce Development, whose office resides in the Department of Commerce. There are nearly 30 members on the Workforce Development Council, representing all areas of the workforce development system in North Dakota. Businesses represent a plurality on the Council, which also includes six state agencies, organized labor and community groups (see Tab 3).

The Workforce Development Council provides coordination between all the workforce development partners in the state. Under the guidance of the Workforce Development Director, the Council meets several times a year to ensure program objectives are being met, services are not being duplicated and communication between agencies is open and effective. In short, the Council

ensures that customer needs are being met in the most efficient and effective way possible.

There are vital links between the agencies on the Council and the Workforce Development Director provides the leadership and guidance to ensure that those links are strong and effective for customers.

DIRECT WORKFORCE TRAINING FUNDS TO PRIMARY SECTOR JOBS

The third intention of the House amendments to HB 1017 is to direct more funding toward primary sector jobs in the state. This issue will require some explanation.

Workforce training funds from the federal government are dedicated funds, earmarked for certain customer groups. Appropriating them to the Department of Commerce will not allow them to be used for other than their designated purposes. So, the overriding question is not: What should the funds be used for? The question is: In what state agency should the funding be placed to provide the most effective customer service?

Referring back to my previous comments regarding the efficiency of our customer service delivery system, we believe Job Service North Dakota can provide the most effective customer service.

PROPOSED AMENDMENT

For these reasons, we respectfully request that this committee adopt the amendment we bring before you this morning. It addresses the intentions of the proposed House amendments and acknowledges fundamental changes in the delivery of workforce development programs across the country.

The amendment does two things. First, it restores workforce training funding to Job Service North Dakota for the 2003-05 biennium. We believe this is the most effective customer service strategy for the next two years. It will not disrupt a system that is working well, providing continuity for customers and eliminating the administrative machinations that the House amendment would cause.

Secondly, our proposed amendment calls for an interim committee to reassess workforce development and workforce training in North Dakota. Changes are afoot, Senators. Proposed federal legislation will have a tremendous impact on the funding mechanism for workforce training. The legislation will force monumental change on the delivery system in North Dakota. Coupled with the

Intent of the House amendment to HB 1017, we believe this is an ideal time to take a fresh look at workforce training and workforce development in the state.

Job Service wants to take a proactive approach to deal with this rapidly changing environment. That is the logic behind the amendment we propose today. Let's maintain the current system for the next biennium, while we create something that will optimally deliver services in the new era demanded by federal legislation and desired by this legislative body.

Today, Chairman Holmberg and members of the committee, I request your support in that direction.

WORKFORCE 2000 AND NEW JOBS TRAINING PROGRAM

There is a final issue I would like to address today, Mr. Chairman, regarding the House amendment. Not only did it transfer all federal workforce training funds to the Department of Commerce, it also transferred funding for Job Service's two state-funded initiatives, Workforce 2000 and the New Jobs Training program.

Job Service requested slightly over \$2 million in general funds for Workforce 2000 during the 2003-05 biennium. This represented flat funding from the current biennium. The House amendment cut the 2003-05 appropriation in half. The amendment also requires that Workforce 2000 funds only be spent on new businesses. This is a departure from the program's original intent, which was to provide funds for retraining and upgrading the skills of current employees due to the introduction of new technologies or work methods to the workplace to ensure that the current workforce has the skills and expertise to compete in a global economy. Funding allocations did not discriminate between new and existing businesses. We believe the original mission more effectively addresses the state's economic development goals. Encouraging growth of existing companies is just as important as, and less resource-intensive than, attracting new companies.

In its administration of Workforce 2000, Job Service has been extremely successful at helping existing companies, with a vast majority of grants going to firms upgrading the skills and wages of North Dakotans. Analysis shows the program has been successful at raising the wage levels of program participants in the long term.

The House amendment also removes the Workforce 2000 requirement that a certain percentage of the funds be distributed to companies located in rural areas. During the current biennium, approximately 41% of the funds distributed through December 2002, went to firms in rural areas, well above the program's current requirements.

Job Service respectfully requests that the Workforce 2000 appropriation be reinstated to its original amount, that the program be returned to Job Service North Dakota, and that the original program guidelines be reinstated.

As a point of clarification, the House amendment caused 4.0 full-time equivalents (FTEs) to be removed from Job Service's appropriation to accompany the Workforce 2000 funding transfer to the Department of Commerce. This was a misinterpretation of budget information. While four individual Job Service employees charge a portion of their time to the administration of Workforce 2000, the total of their time only computes to 0.95 FTEs. Job Service administers Workforce 2000 very efficiently.

In the original bill, Job Service also requested slightly more than \$150,000 in special funds for the New Jobs Training program. The House did not adjust the funding level; however, it did transfer the funding to the Department of Commerce. If the transfer stands, it will be necessary to create a new contract between the Commerce Department and Tax Department so that Commerce may collect the fees to carry out the program. Job Service also respectfully requests that the New Job Training Program administration be returned to our agency.

Job Service North Dakota is the ideal agency to administer both Workforce 2000 and the New Jobs Training Program because of the continual contact we have with the state's employers. Our employment professionals are in the communities and understand their local employers' workforce development needs.

The amendment we offer today also restores funding for Workforce 2000 and the New Jobs Training Program to Job Service North Dakota.

SUMMARY

In summary, Mr. Chairman and members of the Senate Appropriations Committee, the amendment attached by the House of Representatives to HB 1017 does not optimally address the House's intent as we understand it. I encourage this committee to accept the amendment I offer today, which reinstates the funding for the 2003-05 biennium as submitted in Job Service's original appropriations bill. It also reinstates full funding for Workforce 2000, reinstates the original mission of Workforce 2000, and returns both Workforce 2000 and the New Jobs Training program to Job Service North Dakota.

Most importantly, the amendment we offer today more effectively addresses the intent of this legislative body by providing a proactive approach to the

Job Service North Dakota

Senate Appropriations Testimony

monumental changes coming down the pike from the federal government. National workforce training policy is heading in a new direction. Our amendment acknowledges that reality and places North Dakota in the best position to effectively deal with the implications.

Thank you, Mr. Chairman, for your time and this opportunity. I'd be happy to take any questions.

Deanna G. Galt
Operator's Signature

10/30/03
Date



Success Stories

How the Job Service Delivery System Helps Workers Help Themselves

Jonathan – from farmer to truck driver

Jonathan was an area farmer with nearly two decades of experience. Adverse industry conditions forced him to discontinue his farming operation and search for a new career. That search led him to Job Service North Dakota, where an employment professional helped him assess his skills, abilities, interests and barriers to success.

A single parent with a dependent child at home, Jonathan expressed an interest in earning a Class A commercial driver's license, which would allow him to drive a semi-truck. The employment professional determined that Jonathan was a match for this occupation, so he was awarded assistance with his classroom training costs to earn the license.

Jonathan successfully completed the training and immediately found employment with a local construction company as a driver. Jonathan started with his new employer in the spring of 2002 and earned around \$24,000 during the remainder of that year. He has gone from struggling to stay afloat financially to working in an occupation that allows self-sufficiency for himself and his family.

During Jonathan's training, Job Service not only assisted him with tuition, fees and books, but also living expense assistance during training, license testing fees, DOT physical testing charges, and one month's rent, which allowed him to retain ownership of his home.

Calvin – living expense assistance helped him train to career success

Calvin enrolled in a trucking school sponsored by a local trucking company in November 2002. He agreed to work for this company upon completion of the training, so the employer paid his training costs. Calvin was not able to pay for rent, transportation or meals during the training, as his only income source was unemployment. Job Service assisted Calvin with around \$400 for transportation and meals and \$350 for rent during his training. This enabled Calvin to successfully complete the truck driving training and he is now employed in the industry.

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Dennis G. Ball
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Paula – turning hardship into opportunity

Paula found herself out of work due to a business closure in a small North Dakota town. She had always had a strong desire to become an LPN, so she used the loss of her job as an opportunity to retrain in a demand occupation.

Job Service assisted Paula with two years of LPN training at a local technical college, paying her tuition, fees and books. She completed her training and received her LPN diploma in August 2001 and passed her certification test in September 2001. She went on to gain employment with a local hospital as an LPN.

Cindy – expanding her horizons

Cindy was a low-income, single parent with very limited work skills. She realized her future did not hold much potential, so she came to Job Service seeking training guidance. An employment professional completed a full assessment and career exploration activity with Cindy and determined that her interest area of LPN training was appropriate for her. She was enrolled in the WIA Adult service activity and was a very successful student. Cindy completed her LPN degree in the spring of 2002, with a cumulative GPA of 3.52. After graduation, she chose to continue on to RN training.

Pamela – relocating to re-employment

Pamela was employed as an addiction counselor in North Dakota for over three years. In November 2000, she was laid off when her employer closed its addiction unit.

Unable to find similar employment in her geographic area, Pam found help at her local Job Service office. She was enrolled in the WIA Dislocated Worker Program in January of 2001. It assisted with traveling expenses for two trips across the state for interviews. She obtained employment as an addiction counselor with one of the businesses on the other side of the state. The WIA Program also assisted with some of the relocation expenses for Pam and her family to move to Fargo.

Joann -- high-tech training pays off

Joann was a single parent of three children, all under the age of 7, receiving TANF and food stamp assistance. She had no formal training after high school and her work history was mainly low-paying laborer positions without benefits.

Joann found help at her local Job Service office, which enrolled her in WIA and JOBS. After an in-depth assessment, Joann was approved for training in computer programming at a local technical college. WIA covered tuition and books and JOBS provided child care and transportation assistance. Joann took full advantage of the opportunity, landing on the President's Honor Roll every semester.

After graduation, she attended the Job Search Assistance Workshop at the Job Service office. She found work in North Dakota as a computer programmer at \$14 per hour plus benefits. She is still working in the same position a year later and is now making \$15.40 per hour.

Sam -- tragedy helped him find his passion

Sam was a 45-year-old man who had never held a permanent job. He worked sporadically in seasonal construction for over 25 years.

A year ago, when his father became very ill and required in-home care, Sam decided to take over his father's care. When his father passed away, Sam decided he liked this type of work and decided to do some career exploration. Because the state pays for in-home care, anyone who performs it for hire must be a certified nurse's aide.

Sam's math and reading scores were lower than usually acceptable for this type of training. However, during the assessment he displayed a great deal of enthusiasm and compassion, so Job Service took a chance.

Sam successfully completed the course and passed the exam. He is now working a full-time, permanent job for the first time in his life.

Daniela – Youth program experience paid off

Daniela started working with Job Service in June 1995, as a JTPA Summer Youth (SYETP) Participant. She continued through the summer youth season of 1999. After high school graduation, she attended one semester at a local technical college, utilizing student loans, but quickly learned family finances would not be able to support this arrangement (Daniela was the oldest of 3 children). She was not eligible for any grants. That's when her previous relationship with Job Service North Dakota paid off.

Remembering the other services she heard about through the JTPA SYETP orientation sessions, Daniela decided to contact Job Service for possible assistance. Academics were not her strong point, so working while going to school would have been academically fruitless. Through assessment, testing, and other services, she was approved to receive funding through JTPA/WIA for the remainder of her training in the Practical Nursing Program at the local technical college.

What Daniela lacked academically, she more than made up for in determination and desire to help people, especially the elderly. It was not an easy road for this young lady. She failed a couple of classes, attended one summer session on her own for the classes she needed to retake, and had one semester on program probation.

Proudly, in May 2002, Daniela graduated with an Associate of Science degree in Practical Nursing. In June of that year, she passed her boards and became licensed. By then, she already had a job secured and the next day started working as a night nurse in a nursing home.

Joe - keeping the peace

Joe was self-employed as a horse trainer, which provided only sporadic work. The low income, in addition to advice from his physician to seek different work due to health considerations, made Joe re-evaluate what he wanted to do with his life.

Law enforcement had always been an attractive career to Joe, so it worked out well that it was identified in the JOBS program assessment process. He completed a thorough career and personal assessment, took the required tests, and was approved to receive WIA financial assistance for the one-semester Peace Officer Training program at a local technical college. He was eligible for the Pell and state incentive grants, but with a family of six, needed additional assistance to be successful.

Joe was dedicated to his training, had a GPA that put him on the Dean's List, and graduated with his Peace Officer class in December 2002. He was considering further education, but was hired as a Sheriff's Deputy before he could decide. His beginning salary was \$30,000 per year. He secured housing and his family quickly became settled in their new home, school, and community. Joe recently went back to his college for a recognition luncheon where he was honored for receiving a peace officer scholarship.

Kenny – a long road to financial self-sufficiency

Kenny began as an Unemployment Insurance client on a seasonal layoff. While in the Job Service office receiving Reemployment Services, Kenny indicated he was interested in obtaining his GED. Kenny told a Job Service employment professional that he was tremendously motivated to earn his GED because it would make him the first person in his family, including his parents, to hold a high school equivalent diploma.

WIA funds were used to help Kenny with transportation costs, as he drove 120 miles round-trip on the days he traveled for his GED preparation. Kenny also received assistance for the GED test fees and he successfully passed all the tests. That was only the first step in helping Kenny achieve financial self-sufficiency.

Further assessment, career planning, and testing supported helping Kenny with additional training. He had only worked in seasonal/laborer type jobs and was not able to become financially self-sufficient. Several career options were considered and Kenny ultimately decided on the Telecommunications Service and Installation Technology program at a local technical college.

It was a difficult challenge for him, both academically and personally. His wife and son remained in their home in a different city than the technical college, as his wife worked part-time. Kenny rented a very small apartment near the technical college and lived on the funds from his PELL grant and Unemployment Insurance that were left after his wife and son's needs and bills were met.

Kenny completed his training successfully, obtaining a diploma in May 2002. WIA also assisted him with expenses for his internship, job interviewing expenses, and finally mileage and meal expenses for pre-employment training, and even boots for his new job. He began a job as a television cable technician in June 2002, at \$10/hour with full benefits.

Jeff – work experience leads to a new career

Jeff was referred to Job Service at the beginning of his senior year in high school. He had been diagnosed with a learning disability and was unsure what occupation he wanted to pursue. His work experience was mainly in the janitorial field.

After some career exploration, Jeff decided he would like to go into law enforcement. He received work experience through the Workforce Investment Act (WIA) at the Department of Corrections and worked there for three months, where he was able to learn more about his career choice and was a great help to them.

On his own initiative, Jeff then enrolled in school to become a police officer. He is currently in the process of completing that program.

Success Stories

Job Service Helps Workers Help Themselves

Beth – dislocated worker upgrades her skills

Beth worked as a computer analyst for a local health systems company for the last 11 years. Then, the business closed and Beth found her substantial skills were not transferable to any other local business.

As a dislocated worker, Beth was able to obtain Microsoft certification through the Workforce Investment Act (WIA) and was able to become employed as a computer systems operator in the banking industry in the same city. Her starting salary was \$13.00 per hour.

Nancy – certification to a better job

Nancy worked for many years as a nursing assistant, but was never certified in North Dakota. A local hospital was interested in hiring her as a Certified Nursing Assistant, but she needed to take and pass the test.

Nancy requested funding through the Workforce Investment Act (WIA) core services to be able to pay for the test. Once she passed the test, the hospital hired her full-time at \$10.51 per hour.

Bob - surviving misfortune with help from WIA

Bob came to Job Service seeking work. He was receiving food stamps and living with his sister temporarily, but had to be out of her home in one week. He had a child support obligation of \$805 per month for children in Florida and needed a job desperately.

Bob's work history was in the area of nursing home maintenance. He received staff-assisted core services at Job Service, but was not having any success finding employment. He applied for and was pre-approved for WIA Adult On-the-Job Training (OJT), so he began promoting that in his job search. Bob was hired under OJT for a full-time position, with benefits, repairing fire equipment. After three months, that business closed, so Bob was job hunting once again.

At that time, he was in a car accident requiring several weeks of recovery time. The Job Service employment professional stayed in touch with Bob and provided some emergency support services during his recovery time, as he had no other resources, but intended to go back to work as soon as he recovered. Bob's misfortune continued, as he then suffered a heart attack.

Bob maintained his enrollment in WIA and when he was cleared for work, the program provided him with support services for transportation during his job search. He received a job offer for a full-time position with benefits in a warehouse. WIA assisted him with required clothing for the job and, several months later, he was still working and very pleased with his job.

**NORTH DAKOTA
WORKFORCE DEVELOPMENT COUNCIL**

Ex Officio Members/Non-Voting

Jim Hirsch	Director
Cheryl Kulas	ND Indian Affairs Commission

Businesses

Cathi Christopherson	MDU Resources Group
Justin Schardin	Sundog Interactive
Paul Steffes	Steffes Corporation
Al Lukes	Dakota Gasification Company
Charles Axtman	
Brian Mathews	Amazon.com
David "White Thunder" Trottier	Chiptronics, Inc.
Bruce Walker	Coldwell Banker, 1 st Minot Realty
Robert Blackford	Wolverine Drilling

Organized Labor & Professional Groups

Jim Walker	Communications Workers of America
Alvin "Butch" Brandt	Melroe Bobcat
David Kemnitz	President, ND AFL-CIO
Rosella Grant	Asst Principal, Richholt School; ND Education Association

State Agencies

Lee Peterson	Director, ND Dept of Commerce
Larry Isaak	Chancellor, ND University System
Maren Daley	Director, Job Service North Dakota
Carol Olson	Director, ND Dept of Human Services
David Massey	Asst Supt, ND Dept of Public Instruction
Wayne Kutzer	Director, State Board for Vocational and Technical Education

Community Groups

James "Jim" Dahlen	Forward Devils Lake Corporation
David Gipp	United Tribes Technical College
Leo Cummings	Three Affiliated Tribes North Segment Community Board
Lee Lampert	Vocational Education Director, Crosby High School
Donna Thigpen	President, Bismarck State College
Mike Zimmerman	Local School Boards

Job Service North Dakota

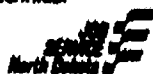
"Meeting North Dakota's Workforce Development Needs"

North Dakota Legislative Assembly
Senate Appropriations Committee
March 12, 2003



Current Model of Success

- In meeting its performance targets, Job Service enabled North Dakota to be 1 of only 12 states to receive a WIA Incentive grant from U.S. Department of Labor
 - Received in partnership with:
 - Department of Public Instruction
 - State Board for Vocational and Technical Education



Current Model of Success

- Unemployment Insurance program received regional awards for its service to both businesses and claimants



Current Model of Success

- Labor Market Information Center nationally recognized for its accuracy and its service to the workforce development community
 - *North Dakota's Economic RoadMap*
 - Best publication for workforce development - NASWA, 2001



Current Model of Success

jobsnd.com

- One of the most frequently visited sites in the state - 80,000 visits monthly
- Recent enhancements provide job seekers and employers greater control over process



Efficiency in Customer Service

- Local service delivery offices across North Dakota
- New internal software for more effective customer service management



Efficiency in Customer Service

- Local offices focus on employment, re-employment and career building, integrating workforce training into these services

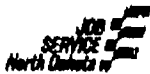


Workforce Development Council MEMBERS

"Coordination in Workforce Development"

- BUSINESSES
- ORGANIZED LABOR & PROFESSIONAL GROUPS
- STATE AGENCIES
- COMMUNITY GROUPS

A full list of members is in Tab 2



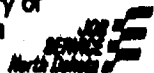
Federal Workforce Training Funds

- Funds are dedicated to designated activities and customer groups
- Transferring the funding stream to another agency does not change the federal requirements for use of the funds



Proposed Amendment

- Moves federal workforce training funds back to Job Service appropriation
- Moves Workforce 2000 and New Jobs Training funds back to Job Service appropriation
 - Reinstates original program guidelines
- In light of pending federal legislation, calls for interim process to reassess delivery of workforce training in North Dakota



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Operator's Signature

Deanna Ballantyne

10/30/03

Date

INSIGHT:
"A Millennial State of Mind"
page 1

TRAVEL LOG:
Pit Stops in 2001
page 5

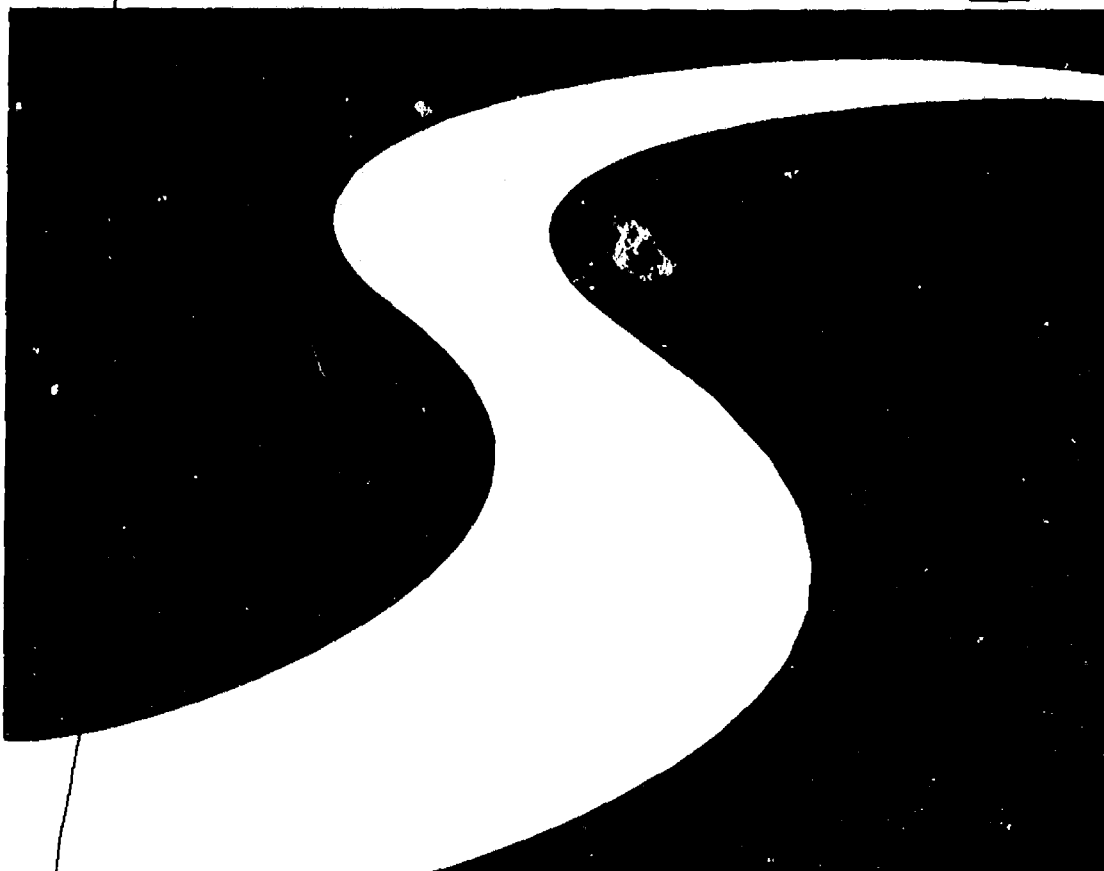
NORTH DAKOTA:
Job Creation in the '90s
page 16

Exhibit # 3
given with Marlene
Daley

CONTACT AGENCY FOR COPY OR ASK LEGISLATIVE COUNCIL LIBRARIAN FOR COPY

North Dakota's Economic

RoadMap



Best LMI Publication for
Workforce Development, 2001
National Association of State Workforce Agencies

JOB
SERVICE
North Dakota

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Deanna Ballantyne
Operator's Signature

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